

ANNUAL REPORT

2016/17



Sharing Prosperity Nationwide





TAXPAYER'S CHARTER



Integrity Policy Statement

MRA'S OBLIGATIONS

Integrity will prevail in every decision making process at MRA with a view to providing an accountable, transparent, equitable and fair service to our stakeholders.

We will

Not solicit or accept any gift, benefit or any offer of hospitality.

We have

To act within the parameters of the law and the principles of the MRA Code of Conduct and Ethics.

We shall

Ensure the protection of employees, stakeholders and the public who report malpractices and unethical behaviours of our staff.

We shall ensure

Good Governance in the management of the organisation

We are

Resolute to condemn and take appropriate action against any illegal or criminal acts or acts in violation of our Revenue Laws, Rules and Policies.

We will

In our day to day dealing with stakeholders, act within our area of responsibility and competence and as far as possible ensure that our stakeholders and their representatives receive the correct information.

We are going

To be fair and impartial in the assessment of tax/duties and not let any conflict of interest compromise the professional discharge of our duties.

We will ensure that

You will always find us adopting the highest standards of integrity in all our operations and delivery of services to our clients and stakeholders.

STAKEHOLDERS' OBLIGATIONS

Integrity must be at the forefront of your positive relationship that you maintain with the MRA.

We rely on you for

Not falsifying your tax returns or Customs declaration or give such false or misleading information or data with a view to misleading the MRA.

We expect you

To comply with the laws and regulations of the MRA and to work within its legal framework.

We expect you to

Ensure that you will never misuse your authority or position or status for your personal gain and interest or the interest of those connected to you when dealing with the MRA.

We expect you to

Give the assurance that you will disclose to the MRA any situation of conflict of interests or situation that may be seen by others to affect impartiality in decision making by the MRA.

We expect you to

Report to the MRA or other relevant authorities any situation where you have been solicited or attempted to be solicited for a bribe with a view to obtaining any favour or benefit of any kind.

We expect you to

Impress on your close associates or representatives or advisers dealing with the MRA not to engage in any type of corrupt practices.

We expect you

To provide the requested documents as and when required in order to enable the MRA to give you the highest standards of service.

We rely on you to take the engagement that

You will always adopt a culture of utmost integrity during your dealings with the MRA.

Chairperson's Foreword

It is a great honour and privilege for me, on behalf of the MRA Board, to present the MRA Annual Report 2016-17 which covers the 18-month period ending 30 June 2017.

I must admit that the past 18 months have been very testing times for the MRA. The world economic landscape was marked by the "Brexit" conundrum, the global growth in 2016 was the weakest since 2008-09, financial markets were in turmoil, there were major antipathy towards trade, immigration crisis in major economies, and unprecedented climatic catastrophes across the globe. All these have affected the world economy and the resulting slower global economic growth and deflationary pressures did not augur good for a small open economy like Mauritius. Our economic growth rate and the inflation rate until the end of last year have been lower than expected. Nonetheless the MRA has still been able to virtually achieve its revenue collection targets during the period under review.



In addition to collecting revenues for the State, the MRA has a fundamental role to play in facilitating taxpayers and businesses. Ever since its inception in 2006, the MRA has been continuously reforming and modernising revenue through changes in its processes and procedures and by leveraging on information technology. Today, the taxpaying public can feel the palpable difference of a modern tax administration when they fulfil their fiscal obligations.

Government has also benefited from a revamped tax administration structure with sustained increases in revenue collections on an annual basis. The role of the MRA Board is to ensure that the MRA keeps the momentum and delivers year in, year out on its mandate. It is only when the key institutions of our country, such as the MRA, meet or exceed their targets that the Government can achieve its objective of catapulting the Mauritian economy to new heights and among world elites.

The MRA, through its Customs Department, has the mandate of facilitating trade and protecting our borders from the entry of illicit goods into the country. The trade-off between these two objectives makes the job of MRA Customs a challenging one. On this point, I must reiterate that Government has declared its firm intention to eradicate the scourge of drugs in the country and the recent unprecedented drugs seizures testify MRA's commitment to this cause. The Budgetary provision of Rs 100 million to equip the MRA Customs with modern and sophisticated tools to detect drugs entering our country is another evidence of Government's commitment. As Chairperson of the MRA Board and Secretary to Cabinet & Head of the Civil Service, I will ensure the effective use of the high-tech equipment being procured by not only MRA Customs, but also, by any other Government agency requiring them in the fight against drug trafficking. In the same vein, I shall personally look into a consolidation of the effective collaboration and teamwork between MRA Customs and the Police as we intensify our battle against drug traffickers.

On a final note, I wish to express my appreciation to the Director-General, my fellow colleagues on the MRA Board, the Management Team, and all our enthusiastic MRA staff members for their dedication and commitment during the period January 2016 to June 2017. Let us continue to work together to make our revenue administration even more vibrant in the years to come and become the "world class Revenue Authority" which is set out in our Vision Statement.

A handwritten signature in black ink, appearing to read 'N. K. Ballah', with a long horizontal stroke extending to the right.

N. K. Ballah, G.O.S.K
Chairperson

Director-General's Review

The 10th Annual Report of the MRA exceptionally covers the period 1 January 2016 to 30 June 2017 and aims at aligning all statutory bodies to the new fiscal year of Government which now starts on 1 July. During the last 18-month period, there have been significant developments on the local and international scene which has put to test our capacity to adapt to a changing environment. However, we have been able to meet these challenges with reasonable success thanks to the strategic direction and leadership of the MRA Board, the guidance and collaboration of the MRA Management Team and all MRA staff.



During the period under review, the MRA celebrated a milestone moment – its 10th anniversary on 1 July 2016. An official function was held on 11 July 2016 to mark this special event at Intercontinental Hotel, Balaclava. Several other events were organised by the MRA during that month to make the 10th Anniversary a truly memorable one. I consider that the 10th Anniversary was not so much a festivity in itself. Rather, it was a solemn occasion for the MRA family to pause and look back at the ten-year journey together. There were many challenges which we have witnessed and managed during the past decade, including:

- the transfer of more than one thousand staff from the erstwhile revenue departments into the MRA;
- the merger of different grades to create a flattened organisation;
- the overhauling of all existing systems and procedures;
- the creation of new audit and support departments;
- the shift from tax type audits to comprehensive income tax and VAT audits which were carried out simultaneously by the same audit officer; and
- the integration of the Customs and Excise within the MRA structure.

There were also many key achievements during the ten years which has made all those persons associated with the MRA proud and they include:

- more than doubling the revenue collections from Rs 34 billion in 2006/07 to Rs 70 billion in June 2016;
- raising tax assessments from Rs 963 million in 2006/07 to Rs 4,887 million in June 2016;
- collecting tax arrears of almost Rs 2 billion as compared to only Rs 396 million when we first started;
- receiving 150,000 individual income tax returns electronically, that is, 99% of total returns due, against mere 1,571 returns in 2006/07;

Director-General's Review

- coming up with highly successful tax incentive schemes to give a chance to those who have evaded tax to redeem themselves. Commitments to pay tax under these schemes reached a remarkable Rs 3.5 billion;
- simplifying our individual income tax returns so that the majority of our citizens can file their return without any third party assistance;
- facilitating taxpayers through a myriad of new and innovative services and initiatives such as taxpayer mailing service and taxpayer portal, e-payment facilities through various medium, fast track tax refunds and repayments, ISO 9001:2008 certification etc;
- reducing import clearance time through a dedicated service under one roof – the new Customs House, the web-based electronic submission of Customs declaration on a 24/7 basis, the “sms” and “e-mail notification” facilities to update economic operators on the status of these declarations, the concept of “authorised economic operators”, the e-payment and deferred payment facilities for duties and taxes.

After celebrating our decade of operations in July 2016, we embarked on our 11th year with similar endeavour and enthusiasm. In that year, the MRA virtually met the targeted revenue collections projections of Rs 76 billion in spite of lower than anticipated economic growth and inflation rates. We responded to the issues raised in the last World Bank Ease of Paying Taxes indicator on VAT refund by introducing a fast track automated VAT system so that the majority of VAT refunds can be made within 7 days. The MRA also pursued along the digital path and received 85% of its total collection electronically - an exceptional performance which represents a rise of 12 percentage points from the preceding year. We also made a breakthrough in our fight against non-filers with the newly set up Non-Filers Unit collecting some Rs 137 million of tax from non-filers as a result of targeted follow-up actions on them. An additional Rs 265 million of assessments has been issued through automatic tax claims to those who continue to evade their tax obligation by not filing their tax returns. Last but not least, the MRA raised an unprecedented total tax assessments of Rs 7 billion in FY 2016/17.

Our International Taxation Unit within the Large Taxpayers Department has also been very active on the international front by attending several meetings in relation to our Automatic Exchange of Information, Multilateral Instrument and Inclusive Framework commitments under BEPS, OECD Peer Review meetings, Forum on Harmful Tax Practices etc. It is to be noted that following the review of our tax regime by the Forum on Harmful Tax Practices, our country rating has been upgraded from a “largely compliant” jurisdiction to a “compliant” jurisdiction which in itself is a matter of pride for all those local agencies who have been involved in the discussion process.

The Financial Year 2016/17 was also an eventful year at the level of the MRA Customs. There were no less than 64 narcotics seizures for a record amount of Rs 2,274 million. Other key initiatives introduced by MRA Customs during the year included the extension of the deferred payment schemes to manufacturers of excisable goods, e-registration of economic operators, e-Auction Sales system on an online bidding platform accessible on a 24/7 basis, reinforcement of the 24/7 surveillance patrol to cover different port areas and the increase in e-payment at Customs from 39 % to 88%.

Indeed during the last eleven years, there have been a number of achievements for which we can and we should legitimately take pride. But, at the MRA, we also recognise that it is only by charting

Director-General's Review

the road ahead that we can remain a dynamic institution especially in this fast changing world. The next financial year 2017/18 shall be one of the most challenging years in the short history of the MRA. It will bring a major change in the role of the organisation as the MRA, in addition to collecting tax revenues, shall also collect social security contributions and remit the same to the Ministry of Social Security. Another role of the MRA in FY 2017/18 shall be to effect the payment of negative income tax allowances to persons who are in full time employment and receive less than Rs 10,000 in a month. I am confident in the ability of my management team and all my staff in rising to the challenges ahead and delivering on our new mandate. Let me conclude this review with an inspirational quote from Joyce Meyer as we embark on a defining fiscal year 2017/18:

"We don't grow when things are easy; we grow when we face challenges"

I trust that all our readers will have something to take from this 10th Annual Report of the MRA.



Sudhamo Lal, C.S.K

Director-General

1.

THE MRA AT A GLANCE

The MRA at a Glance

	January 2016 – June 2016	July 2016 – June 2017
	(6 months)	(12 months)
Revenue Collected (Rs Billion)	35.4	75.7
Fiscal Investigations (Rs Million)	380.3	457.5
Value of Assessment Raised (Rs Billion)	4.9	7.0
Debt Collected Rs Million)	860	1,896
New Taxpayers Registered		
Income Tax	12,844	42,470
VAT	963	2,208
Consignments & Containers Scanned		
Port	11,434	26,225
Airport	151,484	347,691
Narcotics Seizures	93.1	2,734
Refunds Claim Processed		
Income Tax	68,458	54,091
VAT	6,349	5,652
Refunds & Repayments (Rs Million)		
Income Tax	215.7	390
VAT	5,224	6,307



2.

OUR ROLE

Our Role

The Mauritius Revenue Authority (MRA) is a body corporate, set up to manage an effective and efficient revenue-raising system. It administers and collects taxes due in Mauritius within an integrated organisational structure.

The MRA is an agent of State and, as such, the Ministry of Finance and Economic Development continues to have overall responsibility for the organisation and monitors its performance.

The MRA is responsible for collecting approximately 90% of all tax revenues and for enforcing tax laws in Mauritius.

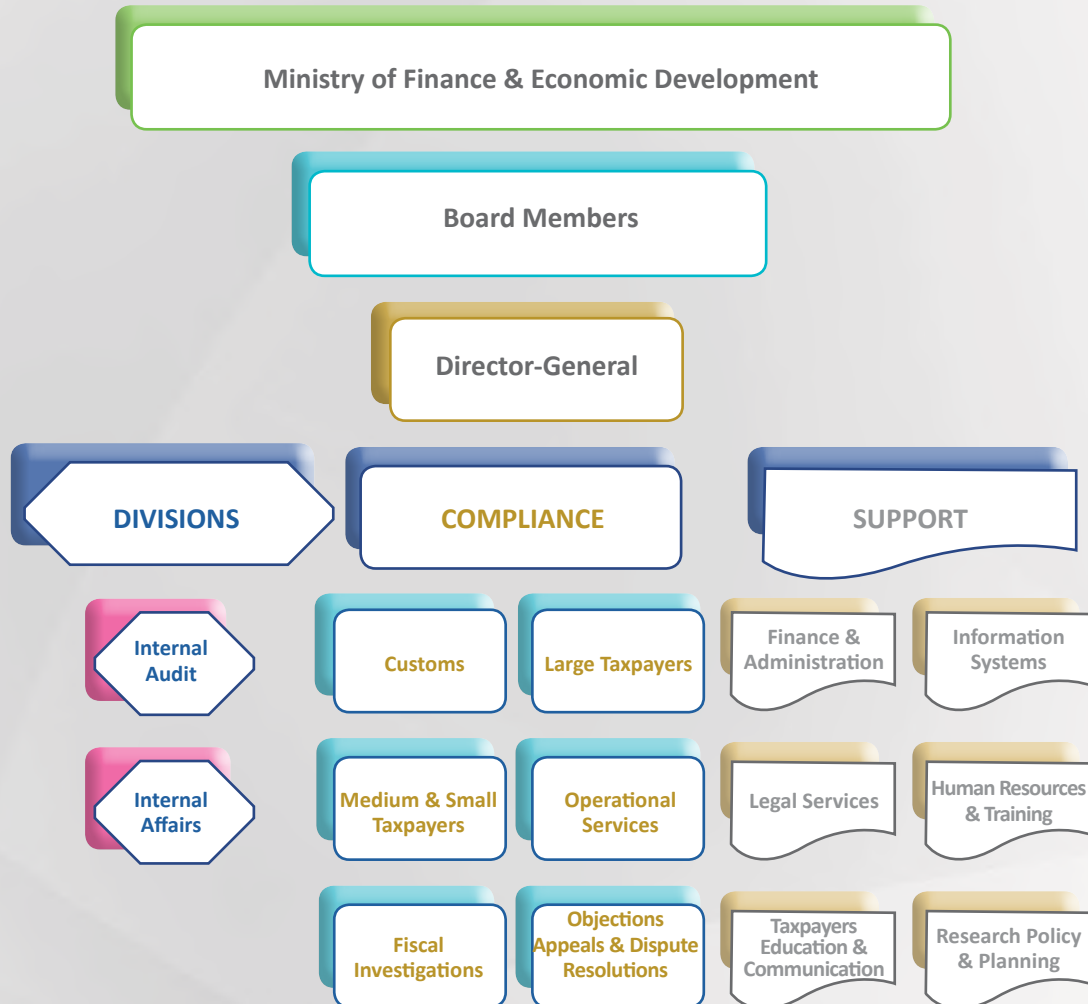
It manages and collects:

- Corporate Tax
- Personal Income Tax
- Tax Deduction at Source (TDS)
- Value-Added Tax (VAT)
- Customs Duties
- Excise Duties
- Gambling taxes
- Issue/Renewal of licences & Tax Residence Certificates (TRCs)
- Passenger Fees
- Passenger Solidarity Fees
- Special Levy on Banks
- Environment Protection Fees
- Corporate Social Responsibility (CSR) levies
- Special Levy on Telecommunications Companies
- Advertising Structure Fee

3.

ORGANISATIONAL STRUCTURE

Organisational Structure



4.

CORPORATE
GOVERNANCE

Corporate Governance

MRA's Corporate Governance philosophy is embedded in its core values of Integrity, Fairness, Transparency and Accountability. The Corporate Plans of the MRA since 2008 also define corporate governance as one of the strategic objectives of the organisation and outline a series of projects and initiatives to strengthen governance and improve corporate image.

MRA's Corporate Governance Structure hinges on the following pillars:

- The MRA Act which lays down specific criteria for the appointment of the Chairperson & Board members and requires disclosures in cases of conflict of interest, etc.;
- The MRA Board;
- Board sub-committees set up to closely scrutinise the organisation's policy regarding corporate governance, auditing, risk management and procurement;
- Risk management framework with clear responsibility for risk identification, assessment and monitoring;
- Auditing and accounting framework with particular emphasis on the role of internal and external audit;
- Integrated sustainability initiatives pertaining to ethics, environment, health & safety and corporate social responsibility;
- Standard operating procedures for all MRA processes through the ISO9001:2008 project, thus enhancing transparency and accountability;
- Systematic computerisation of all MRA functions with emphasis on e-filing both for tax and customs purposes;
- Continuously educating and communicating with its stakeholders together with standing meetings with main stakeholders; and
- Accountability for results through the Performance Management System being monitored on a monthly basis and published on an annual basis in the Annual Report.

The role of the MRA Board is to ensure that the principles of the National Code of Corporate Governance ('the Code') are fully adhered.

The purpose of this chapter is to describe MRA's main corporate governance framework as disclosed in the Code. This includes the Board, Board Committees, Risk Management, Internal Control, Internal Audit, Auditing and Accounting, Quality Management System and the Integrated Sustainability.

4.1. THE MRA ACT

Sound corporate governance practices are already laid down in the MRA Act. Section 5 of the MRA Act 2004 provides that:

- I. The Chairperson shall be a person who has not been, or is not, actively engaged in any political activity;
- II. The Chairperson of the Board is appointed by the President, after consultation with the Prime Minister and the leader of the Opposition, for a period of not less than three years and on such terms and conditions as the President thinks fit;

Corporate Governance

- III. Board members are appointed by the Minister of Finance and Economic Development for a period of not less than three years;
- IV. The Director-General shall not have the right to vote; and,
- V. Where a member of the Board, or a close relative of his, has a direct or indirect interest in any matter which is, or is to be, raised at a meeting of the Board, he shall, as soon as he is aware of the fact, notify the Secretary of the Board. The Board shall then determine that the member shall not be present or shall not vote while the matter is being considered.

Furthermore, Section 6 (6) of the MRA Act stipulates that the Board shall not have access to any information concerning the liability or otherwise of any person to tax.

Section 12 of the MRA Act also provides that the Head of the Internal Affairs and Internal Audit Divisions shall report on, and be directly accountable to the Board for, the execution of the duties assigned to them.

4.2. THE BOARD

During the period January 2016 to November 2016, the MRA board was headed by Mr. S. Seebaluck, *G.O.S.K*, former Secretary to Cabinet and Head of Civil Service. The other Board Members were:

- Mrs. S. D. Jugmohun, *O.S.K*
- Mr. M. Oozeer, *P.D.S.M, C.S.K*
- Mr. K.N. Reddy
- Mr. P. Yip Wang Wing, *C.S.K*
- Mr. M. S. Lal, *C.S.K* (Director-General)

Since December 2016, the MRA Board is chaired by Mr. N.K. Ballah, Secretary to Cabinet and Head of Civil Service. As at 30 June 2017, the composition of the MRA Board was as follows:

- Mr. N. K. Ballah, *G.O.S.K* (Chairperson)
- Mr. A. Nilamber
- Mr. M. Oozeer, *P.D.S.M, C.S.K*
- Mr. K.N. Reddy
- Mr. S.J. Suhootoorah
- Mr. P. Yip Wang Wing, *C.S.K*
- Mr. M. S. Lal, *C.S.K* (Director-General)

The profile of the above Board Members is at **Section 4.8** of this Report.

Corporate Governance

Functions of the Board

The roles and functions of the Board include:

- giving strategic direction and providing leadership;
- overseeing the implementation of strategies, policies and plans;
- giving guidance and maintaining effective control over the Authority;
- selecting and recruiting competent staff to form part of the Management Team;
- laying down the terms and conditions of service of officers of the Management Team;
- approving the annual budget of the Authority for submission to the Ministry of Finance and Economic Development;
- putting in place an effective internal control systems; and,
- ensuring that risk management strategies are developed and implemented effectively.

4.2.1. Board Committees

In line with the 'Code', the Board has set up three sub-committees to assist the Board in discharging its duties and responsibilities. These sub-committees operate within clearly defined terms of reference. The sub-committees established are as follows:

1. Audit & Oversight/Risk Management Committee;
2. Corporate Governance Committee;
3. Tender Committee.

The matters discussed and decisions taken at the level of each sub-committee are reported systematically to the Board.

The composition of each committee and a summary of their respective key responsibilities are outlined below:

Corporate Governance

Committee	Key Responsibilities
<p>Audit & Oversight / Risk Management Committee</p> <p>Members: Mr. K. N. Reddy (Chairperson) Mr. M. Oozeer, P.D.S.M, C.S.K Mr. S. J. Suhootoorah</p>	<p>The main functions of the Committee are as follows:</p> <ul style="list-style-type: none"> • overseeing the Internal Audit & Internal Affairs Divisions; • reviewing any significant matters raised by the external auditors; • reviewing, designing, implementing and maintaining MRA's internal control systems; • overseeing the management of risk, integrity & ethics within the MRA <p>During the period under review, the Committee has met 10 times and has inter-alia,</p> <ul style="list-style-type: none"> • reviewed all internal audit reports; • approved the Annual Internal Audit Plan & Internal Audit Annual Report; • ensured the implementation of the Audit Recommendations and proposals for enhancement of the Internal Control System; • reviewed progress made in respect of Risk Management Project; • discussed issues raised by the external auditors; and • reviewed reports submitted by the Internal Affairs Division.

Corporate Governance

Committee	Key Responsibilities
Corporate Governance Committee Members: Mr. N. K. Ballah, G.O.S.K (Chairperson) Mr. A. Nilamber Mr. S. J. Suhootoorah Mr. M. S. Lal, C.S.K	The main functions of the Committee are as follows: <ul style="list-style-type: none"> ensuring that procedures are established to comply with regulatory requirements; enhancing the effectiveness of corporate governance within the MRA; being responsible for the remuneration and nomination of Directors (Management Team) and senior management; and monitoring of performance and succession planning. During the period under review, the Committee has met twice and the issues discussed were as follows: <ul style="list-style-type: none"> Compliance with Corporate Governance requirements for MRA's Annual Report 2015; Overview of Corporate Governance initiatives undertaken by the MRA from July 2006 to May 2017; Work being done regarding the revised Code of Corporate Governance 2016; and Report on assessment of IT Governance at the MRA
Tender Committee Members: Mr. M.Oozeer, P.D.S.M, C.S.K (Chairperson) Director-General Director, Finance and Administration	The Committee is made up of a Central Tender Committee (CTC) and a Departmental Tender Committee (DTC). Any procurement above Rs 1 million and up to Rs 5 million is approved by the DTC, and for procurement in excess of Rs 5 million the approval of the CTC is sought. During the period under review, 16 CTC meetings were held.

4.2.2. Board and Committee Membership

Board meetings are normally held on a monthly basis. Special and/or additional meetings can also be held at any time, as determined by the needs of the business. It is the duty and responsibility of the Acting Secretary to organise and circulate the necessary documents for all Board and Sub-committee meetings. These are communicated to all Board Members prior to these meetings. During the period under review fifteen Board meetings were convened and held.

Following the appointment of Board Members in December 2016, a comprehensive induction pack, comprising of all relevant information on the MRA, was provided to all Board Members.

The attendance of Board Members at Board meetings & Sub-committees, Board Members' fees and the duration of appointment of Board Members are provided in Tables 1(a) and 1(b).

Corporate Governance

Table 1(a): Attendance of the Board, Board Committees, Fees & Duration of Appointment for the period January 2016 to November 2016

Number of meetings	Board of Directors	Board Committees			Fees & Duration of Appointment		
		AO/RMC ¹	CGC ²	TC ³	Board Fees (Rs) ⁴	Date of last Appointment	Duration of office
	8	2	1	7			
Meetings attended:							
Mr. S. Seebaluck, G.O.S.K, (Chairperson)	8		1		770,000	March 2015	3 years
Mrs. S. D. Jugmohun, O.S.K	3		1		125,000	March 2015	3 years
Mr. M. Oozeer, P.D.S.M, C.S.K	8	1		7	275,000	March 2015	3 years
Mr. K. N. Reddy	8	2			275,000	March 2015	3 years
Mr. P. Yip Wang Wing, C.S.K	8	2			275,000	By Designation	n/a
Mr. M. S. Lal, C.S.K (Director-General)	8			7	275,000	By Designation	n/a

Table 1(b): Attendance of the Board, Board Committees, Fees & Duration of Appointment for the period December 2016 to June 2017

Number of meetings	Board of Directors	Board Committees			Fees & Duration of Appointment		
		AO/RMC ¹	CGC ²	TC ³	Board Fees (Rs) ⁴	Date of last Appointment	Duration of office
	7	8	1	9			
Meetings attended:							
Mr. N. K. Ballah, G.O.S.K (Chairperson)	7		1		490,000	Dec 2016	3 years
Mr. A. Nilamber	7		1		175,000	Dec 2016	3 years
Mr. M. Oozeer, P.D.S.M, C.S.K	5	7		9	175,000	March 2015	3 years
Mr. K. N. Reddy	5	6			175,000	March 2015	3 years
Mr. S. J. Suhootoorah	7	3	1		175,000	Dec 2016	3 years
Mr. P. Yip Wang Wing, C.S.K	6	5			175,000	By Designation	n/a
Mr. M. S. Lal, C.S.K (Director-General)	7		1	9	175,000	By Designation	n/a

¹AO/RMC: Audit & Oversight/Risk Management Committee

²CGC: Corporate Governance Committee

³TC: Tender Committee

⁴No separate fees are paid to members attending Board Committees

n/a: not applicable

4.3. RISK MANAGEMENT

The Enterprise Risk Management Framework, operational since 2012, is now an essential strategic tool to ensure that MRA achieves its objectives. Risk Management is now embedded in both MRA's operations and the organisation's culture.

The MRA Board has the ultimate responsibility for risk management. This responsibility is then cascaded to line-management for day-to-day management and to sections, units and processes. All departments have their risk registers and reports which are regularly reviewed and updated by the process owners.

Auditing of risk management across the MRA is done on a regular basis by Internal Audit Division. This exercise provides assurance on the effectiveness of Risk Management Framework. It also enables the identification and upgrading of risks and desired controls. Various interactions and working sessions are held with departmental Risk Officers and process owners to enhance the existing structure. Result of audits is also discussed at the level of the Audit and Oversight/Risk Management Committee.

Corporate Governance

The MRA also has in place a Risk Monitoring Committee chaired by the Director-General with its members being the Management Team. The objective of the Committee is to ensure that risk management is functioning as per set policies and that all key risks are identified, measured and actions taken accordingly.

During the period under review, MRA's Risk Management Framework was subject to a peer review by representatives of the Inland Revenue Board of Malaysia (IRBM). Following the peer review and further research, enhancement is being brought to the MRA framework for greater user friendliness. Furthermore, all MRA's Risk Officers are now registered with the UK Institute of Risk Management.

The 14 top risks identified and being constantly managed and monitored at Board and management level are as follows:

1. Risk of not achieving revenue targets

The MRA is the main revenue agent of the Government and plays a major role in protecting fiscal solvency. Achieving expectations in terms of budgetary provisions with respect to revenue collection remains a priority challenge for the MRA and therefore needs constant monitoring.

2. Risk of illicit drug trafficking

Drug trafficking, illegal arms importation and terrorism present major risks to national security. Through border control, the MRA has a vital responsibility to protect society from these transnational crimes. The MRA is constantly enhancing its operations by the extensive use of Information Technology, increased control and security mechanisms.

3. Risk of poor governance

Effective governance is a key element in monitoring the effectiveness of any organisation. At the MRA, every effort is deployed to take on board the recommended structures, practices and principles of good corporate governance.

4. Integrity Risk

Projecting a positive corporate image is essential for a large revenue collection agency like the MRA. The positive perception of stakeholders as well as the need for inspiring trust and confidence remains one of the MRA's priorities. MRA manages integrity risk through a dedicated Internal Affairs Division.

5. Risk of non-targeting high-risk taxpayers/importers

A proper risk-based methodology ensures that high-risk taxpayers/ importers are targeted for compliance audits/investigations. The MRA has put in place specific risk management units both in Tax and Customs departments with emphasis on the use of third party information / intelligence to mitigate the risk of non-compliant taxpayers / importers evading the tax net.

6. IT Risk

Driving a modernisation programme through the enhanced usage of information technology inevitably exposes the organisation to IT risks such as loss, leakage or damage of data which may severely disrupt operations.

Corporate Governance

7. Risk of not achieving voluntary compliance

Increasing the voluntary compliance rate is a major MRA objective. Without regular monitoring and review of strategy, the MRA runs the risk of not narrowing the tax gap.

8. HR Risk

The success of our organisation is primarily dependent on the quality of our staff. In handling some 1,400 staff, inevitably HR issues may arise. To counter risk factors, employees are provided with a wide range of support and logistics mechanisms.

9. Risk of information leakage

Maintaining the confidentiality of taxpayers' affairs and information is one of the major expectations of taxpayers. Any failure would affect the organisation's reputation and might entail legal action.

10. Risk related to staff security

The nature of the MRA's operational activities often exposes staff to the threat of moral or physical assault. If not adequately managed, this risk may severely impact on organisational performance.

11. Risk of not maintaining the Quality Management System

The MRA, being ISO certified, has to continue to make efforts in meeting and exceeding customer expectation. Furthermore, apart from complying with stated procedures, systems have to be in place for continual improvement and to comply with all ISO requirements. The MRA, therefore, should always be on the alert with respect to its quality management system.

12. Risk of Poor Communication

Operating a self-assessment system, coupled with an on-going modernisation programme, warrants concerted taxpayer education and effective communication with our stakeholders. The risk management framework flags MRA communication as a strategic issue, which needs to be constantly improved.

13. Risk of events which may affect business continuity

There are many events that can prevent the organisation from continuing its normal operations. The MRA has identified events for which it is prepared and has put systems in place to enable continued service.

14. Risk of non-compliance to statutory requirements

The MRA Act and Statutory Bodies (Account & Audit) Act lays down the statutory requirement in respect of submission of statements to assess the efficiency of the organisation, submission of an Annual Report including the financial statements within 4 months of the end of the financial year to the Director of Audit. Given the existence of various constraints which may hamper the achievement of these statutory obligations, MRA has recognised same as a risk that should be managed.

Corporate Governance

Directors' responsibility for the Internal Control System

Directors of the Board are responsible for designing, implementing and maintaining internal systems relevant to the Authority's functions including controls relevant to the preparation and presentation of the financial statements.

Such systems should ensure that all functions are in line with best practices, that all transactions are authorised and recorded and that any material weaknesses or irregularities are detected and rectified within a reasonable time-frame. The Authority has an Internal Audit function which assists the Board and Management in effectively discharging its responsibilities. Controls are reviewed on an on-going basis by Internal Audit using a cycle-based risk approach.

The Audit and Oversight/Risk Management Committee reviews all internal audit reports and Management is advised through the Director-General of remedial action to be taken. The Committee is also kept informed of progress on the implementation of audit recommendations either through feedback reports from Management or follow-up exercises carried out by Internal Audit.

The Board is apprised of all deliberations and decisions taken by the Audit and Oversight/Risk Management Committee.



N. K. BALLAH, , G.O.S.K
Chairperson MRA Board



K. N. REDDY
Chairperson Audit & Oversight/Risk
Management Committee

Corporate Governance

4.4. AUDITING AND ACCOUNTING

The Board is responsible for maintaining adequate accounting records and preparing the financial statements in accordance with International Public Sector Accounting Standards (IPSAS), for each financial year. These statements include the Board's report, report of the Director of Audit to MRA's Board, statement of financial position, statement of financial performance, statement of changes in net assets/equity, cash flow statement and notes to accounts which reflect a true and fair picture of the financial position of the MRA.

With regards to MRA's Financial Statements for the 18 months period ending 30 June 2017, the Director-General shall not later than 3 months after the end of the financial year submit the accounts to the Board for approval. After approval by the Board, the Director-General must, not later than 31 October 2017, submit the Annual Report, including the financial statements, to the National Audit Office.

After having audited the statements, the Director of Audit, must within 6 months of the date of receipt of the Annual Report, submit the Annual Report and the Audit Report to the Board. On receipt of the Annual Report including the audited financial statements and the audit report, the Board shall, not later than one month from the date of receipt, furnish to the Minister of Finance and Economic Development such reports and financial statements.

4.5. INTERNAL AUDIT

The Internal Audit Division is headed by a Director who reports administratively to the Director-General and functionally to the Audit and Oversight/Risk Management Committee. The Director is assisted by a team of 16 professional officers in different grades with appropriate skills and experience who ensure the objectives of the Division are attained.

The Internal Audit Division has been established with the aim of providing independent assurance to the Board and Management on the implementation, operation and effectiveness of MRA's internal control, risk management, and governance systems.

Background

A risk-based approach is adopted by the Internal Audit Division whereby its resources, is focussed on high risk areas. It also provides regular assurance on continued effectiveness of control with respect to core MRA activities on a rotational basis. Whilst keeping its independence, the Division also ensures that a participatory approach is adopted, whereby Senior Management is invited to contribute to the yearly Action Plan by suggesting main areas of concern. The Annual Action Plan is approved by the Audit Committee.

With respect to control, the Division conducts system audits to assess adequacy of control in the various systems to enable MRA achieve its objectives and properly manage its risks. Transaction audits are then constantly carried out to provide assurance on the effectiveness of those controls. Where there have been recommendations for improvements, follow-up exercises are performed to ascertain implementation of those recommendations.

Achievements

The major achievements of the Internal Audit Division for the period January 2016 to June 2017 were as follows:

Corporate Governance

System of Control

With a view to providing assurance on the proper functioning of the system and ensuring control is embedded within the organisation, the Division has completed 7 system audits, 19 transaction audits and 8 follow-up exercises. Some core areas audited during the period under review were: VAT Repayment and Corporate Tax Refund, Returning Resident Scheme, Overlying Containers, Freight Stations, Excise duties, Revenue collection including IT Controls over Customs payments, MRA staff Pension, Recruitment, Procurement of Container Scanner and Customer Service.

Through these audit assignments, the Division has made some 85 recommendations for further improvement of systems, and also gave assurance that operations are conducted according to the highest standards of best practices. These reports are submitted to the Audit & Oversight Committee for further discussions and reporting purpose.

Code of Corporate Governance (2016)

The National Code of the Corporate Governance for Mauritius has been revised in 2016 and was launched in February 2017. The requirements of the new code shall be effective as from July 2017 onward.

An analysis of the Revised Code with particular attention to the Guidance for Statutory Bodies was conducted by Internal Audit Division. The aim of the analysis was to identify additional recommendations/disclosures to be adopted by the MRA. Following the analysis, the Division is currently working on the implementation of the additional requirements of the code.

IT Governance

During the year 2014, the Internal Audit Division conducted an audit of MRA's Corporate Governance where IT Governance was amongst one of the few areas recommended for further improvement. Hence, an assessment of MRA's IT Governance was conducted in collaboration with the Information Systems Department (ISD).

Following the assessment, it was observed that most recommended practices are present at the MRA with added emphasis to be placed on sensitisation of staff in terms of IT Governance.

Risk Management

MRA's Risk Management Framework (RMF) was successfully implemented in 2012. After four years in operation, MRA felt the need for a review of this framework in view of further improvement. Hence, the RMF was subject to a peer review by representatives of the Inland Revenue Board of Malaysia (IRBM) during the year 2016. Following the peer review and further research, enhancement is being brought to the MRA framework for greater user friendliness.

Implementation of Quality Assurance Improvement Program (QAIP)

Quality in Internal Audit is guided by both an obligation to meet customer expectations as well as professional responsibilities inherent in conforming to the Standards.

Since inception the Internal Audit Division has ensured compliance to the Institute of Internal Auditor's (IIA) International Standards in all major aspects. To further improve on quality and professionalism, the Division has embarked on the IIA Quality Assurance and Improvement Program (QAIP).

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Apart from conformance to Standards, the QAIP will build stakeholders' confidence in Internal Audit commitment to quality and best practices and the internal auditors' mind-set for professionalism. It will also provide evidence of MRA's endeavour towards improved Corporate Governance.

Eventually, the QAIP would indicate adherence to globally recognised internal audit practices and for MRA Internal Audit to have an international recognition.

4.5.1. Quality Management System (QMS)

Since MRA was ISO Certified in July 2012, it is continuously seeking to improve its services so as to ensure taxpayers/stakeholders expectations are met or even exceeded.

Some of the major initiatives undertaken pertaining to QMS during the 18 months period ending 30 June 2017 were as:

- Conducting an internal assessment of MRA's Customer Service. The assessment focused on the handling of customer requests by the three incoming channels, namely phone, emails and assistance provided to walk-in customers at the Service Desk at Eham Court,
- Conducting surveillance audits by the external certification body, Mauritius Standard Bureau (MSB). No major non-conformity was identified during these surveillance audits, therefore, the MRA's ISO 9001:2008 certificate was maintained and this provides an on-going assurance on the effectiveness of our QMS,
- Reviewing the online web-based Complaints Management System (CMS) launched in June 2016. Improvement points highlighted are being incorporated,
- Performing internal audits on a regular basis so as to ensure compliance to the standard operating procedures defined at all levels of the MRA. Improvement opportunities are continuously being identified for the streamlining of internal processes, and
- Transitioning towards ISO 9001:2015 version. Since the ISO 9001:2008 standard has been revised to ISO 9001:2015 version in September 2015, the MRA is actually working towards the requirements of the new version so as continually improve our quality management system.

4.6. INTEGRATED SUSTAINABILITY REPORTING

4.6.1. Ethics

Integrity, Transparency and Accountability form part of MRA's Core Values. MRA believes that these core values are part of the parcel of good ethical behaviour which is fundamental for 'doing the right thing'. At the MRA, it is the mandate of the Internal Affairs Division to ensure that the highest ethical standards and professionalism are embedded and maintained within the organisation.

In view of fostering a sound integrity management within the organisation, the Internal Affairs Division has developed a proper set of procedures and practices in the following documents, namely, the 'Code of Conduct and Ethics', the 'Prevention of Malpractice Manual' and the 'Disciplinary Code'. These documents lay down the expected standards of conduct and ethics for officers which can be used as guidance on the fulfilment of employees' professional and ethical obligations.

Corporate Governance

The major achievements of the Division for the period under review are summarised as follows:

Achievements	1 Jan 2016 – 30 June 2016	1 July 2016 – 30 June 2017
Declaration of Assets verified	70	91
Training courses dispensed on Code of Conduct & Ethics	17	33
Investigation completed	34	36
Integrity Checks	48	48
Cases referred to Police	-	1
Cases referred to ICAC	1	-
Cases referred for Disciplinary Action	1	1
Cases referred for tax audit	-	5
Cases where recommendations were made to review procedures	-	5

Besides the above-mentioned achievements, the following projects have also been implemented by the Division over the 18 months:

Online and Centralised Complaint Management System (CCMS)

The online and centralised complaint management system was launched on 15 June 2016. It is a platform use to track and monitor complaints received online. The implementation of the CCMS has enabled the MRA to handle complaints received online in the most effective manner. Monthly status of these complaints is communicated at the Management Team meetings.

Integrity perception survey

An integrity perception survey was conducted during 2016 with the aim of gauging the perception of the public on MRA's integrity. The Organisational Integrity Index of MRA has increased from 74.7 in 2008 to 77.5 in 2012 and to 78.3 in 2016. Following the survey, a Committee has been set up to examine the recommendations and proposed the course of action with regard to their implementation. An action plan highlighting the main stakeholders' observations and proposed areas of improvement has been prepared and a follow up is being done by the Division.

Integrity Advisory Committee

In view of promoting integrity management amongst its stakeholders and raising awareness on MRA's integrity improvement programmes, several Integrity Advisory Committee meetings were held during the last 18 months period. During each meeting, Director Internal Affairs made a presentation highlighting the salient features on recent initiatives adopted by the MRA pertaining to integrity management.

WCO Train the Trainer workshop 2017- Integrity and Ethics

WCO Train the Trainer workshop 2017- Integrity and Ethics was organized in collaboration with the World Customs Organisation (WCO). The workshop provided an opportunity for MRA to revisit and review its Integrity and Ethics training programme for frontline officers, supervisors and managers.

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Corruption Risk Management

The Division started working on Corruption Risk Mapping exercise which is an important step in the process. As starting point the Customs Department, Fiscal Investigation Department, Medium and Small Taxpayers Department have been identified for the mapping exercises. The exercise will continue till the whole organisation's work areas considered as prone to corruption are covered.

4.6.2. Environment

In view of sustaining the development of a green environment, the MRA is continuously integrating environmental concerns into its decision-making processes and operations. The MRA's aim is to ensure that our business operation is undertaken so as to have a minimum impact on the ecosystem. Given the importance of preserving the integrity of our natural heritage, MRA is placing much emphasis on the use of energy efficient equipment and environmental friendly materials.

A series of green measures undertaken by the MRA over the last 18 months in order to continue conserving our environment were as follows:

- Reducing paper consumption by promoting its E-Services facilities both for tax and Customs purposes;
- Collection of used oil in motor vehicles and machineries for safe disposal;
- Re-treading of worn tyres for selected MRA vehicles has resulted in an estimated extended life of 15,000-20,000 kilometres per tyre;
- Procuring vehicles which comply with European Emission Standards;
- Implementing of GPS to reduce both fuel consumption and CO2 emissions and effective routing;
- Planting of around 200 trees in the Custom House compound and distributing some 2,500 trees to staff;
- Implementing the Green Productivity concept so as to reduce the environmental impact of its activities, and services. This initiative is being done in collaboration with the National Productivity and Competitiveness Council (NPCC);
- Using LED fog lights instead of CFL lamps and halogens, the MRA is gradually replacing all its CFL and halogen bulbs. It is expected that by end 2018, all MRA sites will be equipped with LED lights;
- Purchasing office equipment which are Energy Star compliant devices;
- Disposal of unused Computers are being made in accordance with environmental norms by recyclers approved by the Ministry of Local Government. This also adheres to MRA's commitment to minimise its environmental footprint; and
- Archived documents reaching their retention period are industrially shredded and exported for recycling. For the period under review 25 tons of papers were recycled.

4.6.3. Safety and Health

The MRA is an organisation that places a high priority to the health and wellbeing of its staff and stakeholders. It recognises its role in providing a healthy, sound and safe working environment to its people. As such, the MRA has implemented the recommended policies and practices as stipulated in the Safety and Health legislation to provide for a secure and safe working environment and

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empower them to perform their duties safely and efficiently. Besides, the MRA has also designed a Safety and Health Guide for its visitors and ensure protocols are observed for guests to be received and served in the best conditions. The Safety and Health Committees chaired by the Director, Human Resources & Training meets every 2 months to ensure continuous improvement in the performance of the safety and health measures of the MRA. The committee is also responsible to ensure that safe working conditions are maintained.

MRA considers safety and health as an on-going process within the organisation. During the period under review, the following initiatives have been undertaken by the MRA in order promote the good working environment to its people:

- Renewed the yearly Medical Scheme membership of staff and their family members and its insurance policy, under the Group Personal Accident (GPA) Scheme. The GPA provides protection to MRA employees and/or their families in the event of disability or death resulting from an accident;
- Conducted 4 Fire Drills, two at Custom House, one at Eham Court and Belfort Tower respectively;
- Conducted Safety and Health Committees to discuss safety and health issues arising out of day to day work;
- Conducted awareness campaigns on:
 - Sensitization on the prevention of cancer;
 - Managing stress at Work;
 - Eye Check Up for MRA Staff;
 - Briefing of Fire Wardens Eham Court;
 - OSH Induction to new recruits;
 - Affixing of Lift Safety Guidelines in all lift cages at Eham Court, Custom House and Belfort Tower;
 - Caravanne de la Sante;
 - Provision of Hand Sanitisers;
 - Memo to all staff on the use of unauthorised extension cords & electrical appliances; and
 - Vaccination against Influenza.

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4.6.4. Corporate Social Responsibility

The MRA is committed to continue meeting its Corporate Social Responsibility (CSR) obligations. Hence, since its creation, the organisation has actively been involved in both the social welfare and economic well-being of its employees and society. For the period under review, the MRA has renewed its commitment towards the following CSR activities, namely:

- The organisation of a Blood Donation Day, in collaboration with the Ministry of Health and Quality of Life and the Blood Donors Association. A total of 1,150 pints were collected from 1,380 volunteers to donate blood;
- Continued to cooperate with the University of Mauritius (UOM) so as to offer training placement to university students; and
- Voluntary contributions collected from staff which has enabled cash donations to be remitted to Lois Lagesse Trust Fund School for the blind and to Caritas respectively.

4.7. RELATED PARTY TRANSACTIONS

The Authority regards the Government of Mauritius as its controlling party and has disclosed at Note 17 to the Financial Statements the Related Party Transactions for the period under review in accordance with IPSAS 20(Related Party Disclosures).The related party transactions for the MRA for the period include:

1. Grants (capital & revenue) of Rs 2,572,360,946 from Government;
2. Fees paid to Board Members for an amount of Rs 3,535,000; and
3. Salaries and Benefits paid to MRA Top Management for an amount of Rs 76,310,631.

As per provisions of the Act constituting the Authority, the Board members represent the interest of Stakeholders. However, the Board considers that such representation does not trigger any other related party transactions that would require any further disclosure.

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4.8. BOARD MEMBERS' PROFILES



Mr Nayan Koomar BALLAH, G.O.S.K

Chairperson

Appointment

Appointed as Chairperson of the MRA Board in December 2016

Committee member

Chairperson of the Corporate Governance Committee

Skills and previous experience

He holds a Diploma in Public Administration and Management, Bachelor of Arts in Political Science and Economics and Bachelor of Arts (Honours) in English. He has a long career in the public service and has been the Secretary of the Public Service Commission and the Disciplined Forces Service Commission. He has served in senior positions in various Ministries, such as Ministry of Agriculture, Fisheries and Natural Resources, Ministry of Arts and Culture, Ministry of Youth and Sports, Ministry of Public Infrastructure, Land Transport & Shipping and the Prime Minister's Office. He has also served as Chairperson and Member on various Boards and Committees.

External appointments

- Chairperson - State Bank of Mauritius
- Chairperson - Mauritius Telecom
- Chairperson - Multi Carrier (Mauritius) Ltd
- Director - Mauritius Duty Free Paradise
- Director - Air Mauritius



Mr Patrick YIP WANG WING, C.S.K

Board Member

Appointment

Appointed as Board member in November 2004

Committee member

Chairperson of the Audit & Oversight committee

Skills and previous experience

He has served as Deputy Financial Secretary at the Ministry of Finance and Economic Development where he has been closely associated with fiscal and public policies and preparation of the National Budget. After studying in Dijon, France for a *Maitrise en Econométrie* and a *Diplôme D'Études Approfondies (DEA) en Politique et Analyse Economique*, he first worked in the private sector for a few years before joining the Civil Service in 1986 as an Economist, becoming the Director for Fiscal Policies in 2001.

External appointments

- Board Member at SICOM group of companies
- Board Member at Statistics Mauritius

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Mr Mohamad OOZEER, P.D.S.M, C.S.K
Board Member

Appointment

Appointed as Board Member in March 2015

Committee member

Chairperson of the Central Tender Committee

Skills and previous experience

He had a long career in tax administration and has wide experience in the preparation of tax and other legislation. He has been an Adviser to the Ministry of Finance and Economic Development since his retirement from the public service in 1995.

External appointments

- Mauritius Network Services Ltd
- Maurinet Investment Ltd



Mr Kritananda Naghee REDDY
Board Member

Appointment

Appointed as Board Member in March 2015

Committee member

Member of the Audit & Oversight committee

Skills and previous experience

He has worked as Principal Accountant at the Ministry of Finance. He has studied law and on completion of his Bar Vocation Course, joined the Attorney General's Office as State Counsel. He is currently Acting Principal State Counsel and in that capacity is advising ministries, conducting litigation before the Courts, handling tax cases before the ARC and the Supreme Court.

His formal qualifications include an MBA, LLB and LLM (international tax and insurance law).

External appointments

- SIC Management Services Co Ltd

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Mr Javed SUHOOTOORAH

Board Member

Appointment

Appointed as Board member in December 2016

Committee member

Member of Corporate Governance Committee and Audit & Oversight Committee.

Skills and previous experience

He is a Lead Analyst at the Ministry of Finance and Economic Development. He holds a BSc (Hons) in Economics and is a fellow of the ACCA. He has worked at the Ministry for more than 15 years.

External appointments

- Board Member at the Board of Investment
- Board Member at Landscape (Mauritius) Ltd.



Mr Anoop NILAMBER

Board Member

Appointment

Appointed as Board member in December 2016

Committee member

Member of Corporate Governance Committee

Skills and previous experience

He is currently an Economic Advisor at the Ministry of Finance and Economic Development. Prior to joining the Public sector, he worked in the Banking sphere for almost ten years at HSBC in France and MCB in Mauritius. He graduated in Banking & Finance from University Pantheon Assas Paris II.

External appointments

- Board member at MauBank
- Board member at SIC

Corporate Governance



Mr Sudhamo LAL, C.S.K

Board Member

Appointment

Appointed as Director-General in May 2005

Committee member

Member of the Central Tender Committee and Corporate Governance Committee

Skills and previous experience

He has previously worked in direct tax administration in Pakistan, progressing from Commissioner of Income Tax and Wealth Tax and Director-General (Withholding taxes), to Member (Tax Policy and Administration) in the Central Board of Revenue, Islamabad. In this role he was responsible for leading US\$150 million World Bank funded tax administration reform programme. He acted as the President of the Commonwealth Association of Tax Administrators (CATA) from 2009 to 2012, Vice Chairman for the World Customs Organization's Eastern and Southern Africa Region from 2011 to May 2013. He was elected Council Member of ATAF in September 2014 and in November 2015 he was elected Chairman CATA for the next three years. In October 2016, he was elected to serve as Vice-Chairman of the African Tax Administration Forum (ATAF) for the next 2 years.

His formal qualifications include a first degree in Law and a postgraduate degree in Agri-Economics and Soil Science. He has also undergone training in Public Administration, National Management, Tax Fraud Administration and Revenue Forecasting.

External appointments

None

Corporate Governance

4.9. MANAGEMENT TEAM'S PROFILES


Name

Sudhamo Lal, C.S.K

Director-General of the MRA since May 2005

Experience

(See Board Members' Profiles)

Date of Appointment on Management Team

15 May 2005

Qualifications

(See Board Members' Profiles)

Contact Details

Tel: 207 5941

Fax: 207 6041

Email: sudhamo.lal@mra.mu


Name

Ishwarduth Beesoon

Department

Director, Fiscal Investigations

Experience

He joined the Public service in 1972 and later the VAT Department in 1984 as Assistant Finance Officer. He served as Senior Finance Officer, Investigating officer and acting Deputy Commissioner. He joined the MRA as Section Head in July 2006. He became Director, Fiscal Investigations in April 2013.

Date of Appointment on Management Team

8 April 2013

Qualifications

Fellow Member of the Chartered Association of Certified Accountants

Contact Details

Tel: 207 5914

Fax: 207 6016

Email: ishwar.beesoon@mra.mu


Name

Nily Bunwaree

Department

Director, Finance & Administration

Experience

She joined a Manufacturing Company in the private sector as Finance Manager. Worked as Financial Controller in a large conglomerate from 1992 to 2011. Also worked on a number of projects in the shipping and aviation fields. Joined MRA as Director, Finance & Administration in January 2013.

Date of Appointment on Management Team

3 January 2013

Qualifications

Fellow Member of the Association Chartered Certified Accountants and Associate of the Institute of Chartered Accountants in England and Wales. Also holds an MBA from the University of Birmingham

Contact Details

Tel: 207 5922 / Fax: 207 6022

Email: nily.bunwaree@mra.mu


Name

Champawatee Gunnoo

Department

Director, Medium and Small Taxpayers

Experience

She joined the Public service in 1975 and later the Income Tax Department as Inspector of Taxes in 1975. She was posted at the VAT Department in 1988 where she served in the capacity of Senior Investigation Officer, Deputy Commissioner and Commissioner. Joined MRA as Director, Fiscal Investigations up to April 2013 and is now Director, Medium and Small Taxpayers.

Date of Appointment on Management Team

1 July 2006

Qualifications

Fellow Member of the Chartered Association of Certified Accountants

Contact Details

Tel: 207 5959

Fax: 210 3472

Email: champa.gunnoo@mra.mu

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Name

Michel Mario Hannelas

Department

Director, Large Taxpayers

Experience

He joined the Public service in 1974 and later joined as Inspector of Taxes in the Income Tax Department. He climbed the corporate ladder and served as Chief Investigating Officer, Deputy Commissioner of Income Tax and Commissioner of Large Taxpayer. He joined the MRA on 01 July 2006 as Director, Medium & Small Taxpayers. He is presently Director, Large Taxpayers and also responsible for all International Tax matters. In addition, he is a member of the Mauritian Team for Tax Treaty negotiations.

Date of Appointment on Management Team

1 July 2006

Qualifications

Fellow Member of the Chartered Association of Certified Accountants. Also holds a Post Graduate degree in Tax Administration from the University of Paris Dauphine, France

Contact Details

Tel: 207 5904

Fax: 207 6053

Email: mario.hannelas@mra.mu


Name

Sumita Devi Moorooogen

Department

Director, Internal Audit

Experience

Joined the National Audit Office in 1985. She held various positions there and was Assistant Director of Audit from 1995 to 2003. From 2003 to 2006, she was Assistant Director at the ICAC and responsible for corruption prevention and system enhancement. She joined the MRA as Director, Internal Audit in June 2006. Was a member of the Audit Review panel of the Financial Reporting Council from December 2008 to December 2012 and is presently an active member of Institute of Internal Auditors, Mauritius.

Date of Appointment on Management Team

14 June 2006

Qualifications

Fellow Member of the Chartered Association of Certified Accountants. Also holds an MBA in Finance & Administration from University of Wales & Manchester

Contact Details

Tel: 207 5942

Fax: 207 6042

Email: sumita.moorooogen@mra.mu


Name

Soopayah Narrainen

Department

Director, Internal Affairs

Experience

He joined the Income Tax Department as Inspector of Taxes in 1975 and climbed the corporate ladder as Principal Inspector, Chief Inspector and Assistant Commissioner of Taxes. He joined the MRA as Section Head on 01 July 2006 in the Compliance Department. Appointed Director, Internal Affairs in June 2014.

Date of Appointment on Management Team

1 June 2014

Qualifications

DESS (Paris Dauphine). Also holds an MBA, University of Technology, Mauritius

Contact Details

Tel: 207 5012

Fax: 216 0097

Email: soopayah.narrainen@mra.mu


Name

Dhanraj Ramdin

Department

Director, Operational Services

Experience

He joined the Public service in 1978 and later joined the Income Tax Department as Inspector of Taxes in 1983. He served there in the capacity of Senior Investigating officer, Chief Investigating Officer and Deputy Commissioner of Income Tax. In 2006, he joined the MRA as the Director of Operational Services Department.

Date of Appointment on Management Team

1 March 2006

Qualifications

Fellow Member of the Chartered Association of Certified Accountants. Also holds a Post Graduate Degree in Tax Administration from University of Paris-Dauphine, France

Contact Details

Tel: 207 5948

Tax 207 6048

Email: dhanraj.ramdin@mra.mu

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Name

Vivekanand Ramburun

Department

Director, Customs

Experience

He joined HM Customs & Excise on 04 January 1982 before taking employment at the Management Audit Bureau (MAB) of the Ministry of Finance in 1991. After 10 years at MAB, where he held the post of Senior Financial & Management Analyst, he worked as advisor to the Comptroller of Customs from 2002 to 2006. He was Section Head at MRA for 11 years and acted as Director of Customs on several occasions. He is an accredited expert in Customs Modernization and Trade Facilitation and a WCO accredited expert for the implementation of the WTO Trade Facilitation Agreement. He has extensive experience in consulting and capacity building for Customs administrations in Europe, Central Asia, Caribbean, Africa and Middle East on behalf of the WCO, IMF, Asian Development Bank, SADC, COMESA and Canada Customs.

Date of Appointment on Management Team

February 2016

Qualifications

Fellow of the Chartered Association of Certified Accountant (FCCA, UK) and MBA with specialisation in Finance

Contact Details

Tel: 202 0500

Fax: 216 7601

Email: vivekanand.ramburun@mra.mu


Name

Vaydavadee Ramdin

Department

Director, Objections, Appeals & Dispute Resolution

Experience

She joined the Public service in 1980 and later joined the Income Tax Department in 1983 as Inspector of Taxes. She climbed the Corporate ladder and served as Senior Investigating Officer, Chief Investigating Officer and Deputy Commissioner. She joined MRA in 2006 as Section Head in the Large Taxpayers' Department (LTD). She is the Director of Objections, Appeals & Dispute Resolution (OADR) since the creation of the Department in 2012.

Date of Appointment on Management Team

2 April 2012

Qualifications

Fellow Member of the Chartered Association of Certified Accountants

Contact Details

Tel: 207 5000

Fax: 207 5050

Email: vayda.ramdin@mra.mu


Name

Vijay Kumar Ramnundun

Department

Director, Human Resources & Training

Experience

He joined the Public service in 1973. He served as Human Resource Executive at the Central Electricity Board, HR Manager at the Central Water Authority and Assistant Manager (HR) at the Mauritius Institute of Training & Development (previously known as IVTB). He joined the MRA as Director of Human Resources and Training in February 2007.

Date of Appointment on Management Team

2 February 2007

Qualifications

MSc in HR Management from the University of Surrey, UK

Contact Details

Tel: 202 0502

Fax: 216 4317

Email: vijay.ramnundun@mra.mu


Name

Soobhash Sonah

Department

Director, Information Systems

Experience

Prior to joining the MRA he held the post of Technical Leader and Senior Consultant in Canada. He also held the post of Manager - Information Systems in the public utilities sector and at University of Mauritius. He joined the MRA as Director, Information System in 2008.

Date of Appointment on Management Team

13 October 2008

Qualifications

BSc (Hons) in Mathematics and Computer Science & an MSc in Computer Science. Also holds an MBA, University of Mauritius

Contact Details

Tel: 207 6077

Fax: 207 6063

E-mail: soobhash.sonah@mra.mu

Corporate Governance


Name

Amick Teeluckdharry

Department

Assistant Director,
Taxpayer Education & Communication

Experience

He was Head of TV Production at the Mauritius Broadcasting Corporation (MBC). He has proven experience in the production, management and marketing of audio visual programmes for television. He worked as Newspaper Reporter, TV Producer & Executive Producer. He is also a Lecturer in Organisational Management and Audio Visual Production and Technology.

Date of Appointment on Management Team

1 June 2017

Qualifications

Master in Business Administration

Contact Details

Tel: 207 6000 Ext: 2985
Fax : 207 6033
Mobile: +23052502246
Email: Amick.Teeluckdharry@mra.mu


Name

Roshan Oree

Department

Ag. Assistant Director,
Research, Policy & Planning

Experience

He started his career in the global business sector before joining the Ministry of Finance, as Economic Analyst in 1998. In that capacity he has been actively involved in the budget preparation exercise, in particular, tax policy formulation. He has also served as Board Member on a number of parastatal bodies. He joined the MRA in January 2007.

Date of Appointment on Management Team

January 2017

Qualifications

BSc (Hons) Economics
MBA in Finance

Contact Details

Tel: 207 6000 Ext: 2907
Email: Roshan.Oree@mra.mu


Name

Smita Shersingh

Department

Legal Counsel,
Legal services

Experience

Prior to joining the MRA, she occupied the post of Senior Legal Executive at Banymandhub Boolell Chambers (Mauritius). Her practice areas covered civil, corporate, employment and commercial law. She now appears regularly before the Courts, Tribunals and in Disciplinary Committees, representing the MRA.

Date of Appointment on Management Team

October 2016

Qualifications

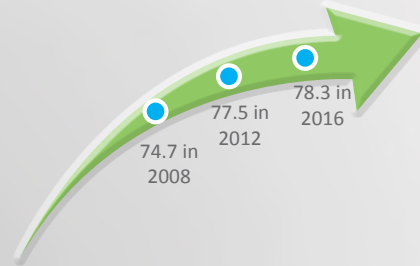
Barrister-at-Law, called to the Bar of England and Wales and the Honourable Society of Middle Temple in 2010. She also holds a Postgraduate Diploma in 'International Dispute Resolution' and a Postgraduate Certificate in 'Equity and Trusts' from the University of London.

Contact Details

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Fax : 216 4198
Email: Smita.Bhujohory@mra.mu

2016 ORGANISATIONAL INTEGRITY PERCEPTION SURVEY

In 2016 MRA carried out its 3rd Integrity Perception Survey targeting both its internal and external stakeholders to gauge their perception of MRA's organizational integrity. The survey revealed that the Organisational Integrity Index of MRA had progressed from 74.7 in 2008 to 78.3 in 2016.



The overall legal, regulatory and institutional framework, strength of internal controls, continuous automation and reforms and the transparent relationship with external stakeholders are the key integrity dimensions that have positively impacted to improve the MRA's Organisational Integrity Index.

To further promote integrity the MRA proposes to implement relevant recommendations in the wake of the 2016 survey. Recent integrity initiatives implemented by MRA are also worth noting:

Suggestions by Consultant/ Stakeholders for the proposed implementation

- Establishment of proper channels for external stakeholders to confidentially report malpractice;
- Enhancement of objection and appeals service;
- Revamping capability of MRA Hotline service to improve response time.

Action already initiated to enhance integrity at MRA

- A Centralized Complaint Management System has been set up to provide a user friendly electronic platform to our stakeholders for online reporting of grievances;
- Alternative Tax Dispute Resolution (ATDR) Committee has been set up to cater for speedy resolution of tax disputes;
- To respond to queries in a professional manner, a dedicated desk comprising of officers with appropriate skills is operational.

KEY SECTORS CONTRIBUTING TO TAX REVENUE & NATIONAL PROSPERITY



5.

REVENUE COLLECTIONS

Revenue collections

The Mauritius Revenue Authority collected a total amount of Rs 35,447 m during the period January 2016 to June 2016 and Rs 75,706 m from July 2016 to June 2017. Collections during the six-month period were up by 7%. For the financial year 2016/17, revenue grew by 8%. The actual collections exceeded the revised collections by 0.4% in FY 2016/17. Table 2 illustrates January 2016 to June 2016 and July 2016 to June 2017 collections by tax type.

	January – June 2015 Actual Collections	January – June 2016 Actual Collections ²	Increase / Decrease over January – June 2015	July 2016 – June 2017 Budgeted Estimates	July 2016 – June 2017 Revised Collections	July 2016 – June 2017 Actual Collections ¹	Increase / Decrease over July 2016 – June 2017 Revised Estimates	Increase / decrease over July 2016 – June 2017 Budgeted Estimates
Corporate Tax	4,638	5,312	14.5%	11,069	11,569	11,861	2.5%	7.2%
Personal Income Tax	4,023	3,996	-0.7%	8,270	8,670	8,674	0.0%	4.9%
Tax Deduction at Source	652	560	-14.1%	1,215	1,190	1,247	4.8%	2.6%
Value-Added Tax	13,919	14,617	5.0%	31,430	30,230	30,189	-0.1%	-3.9%
Customs Duties	533	575	7.9%	1,150	1,200	1,172	-2.3%	1.9%
Excise Duties	7,062	7,869	11.4%	17,439	17,067	17,256	1.1%	-1.0%
Taxes on Gambling	878	940	7.1%	1,980	1,905	1,885	-1.0%	-4.8%
Environment Protection Fees	190	201	5.8%	420	380	385	1.3%	-8.3%
Passenger Fee	685	743	8.5%	1,580	1,690	1,473	-12.8%	-6.8%
Special Levy on banks	294	318	8.2%	850	850	846	-0.5%	-0.5%
Special Levy on Telecommunication	69	44	-36.2%	355	305	313	2.6%	-11.8%
Advertising Structure Fee	33	34	3.0%	70	70	59	-15.7%	-15.7%
Miscellaneous ³	261	238	-8.8%	307	297	346	16.5%	12.7%
Total	33,237	35,447	6.6%	76,135	75,423	75,706	0.4%	-0.6%

¹ MRA figures are on a collection basis and may vary from figures reported by the Accountant-General which are on a cash basis.

² There are no budgeted estimates for the period January-June 2016.

³ Includes collections from Licences, Customs & Excise Fees and Fines, Passenger Solidarity Fee, Processing Fee, Tax Residency Certificates and tax rulings, Revenue from Excise Stamps, Levy on Messages and Corporate Social Responsibility.

During the six-month period January 2016 to June 2016, almost all major revenue items registered a growth and the 7% increase in collections was mainly attributable to higher Excise duties (+Rs 807 m), VAT collections (+Rs 698 m) and Corporate Tax (+Rs 674 m). On the other hand, lower receipts were observed for Tax deduction at Source (-Rs 92 m), Personal Income Tax (-Rs 27 m) and Special Levy on Telecommunications (-Rs 25 m).

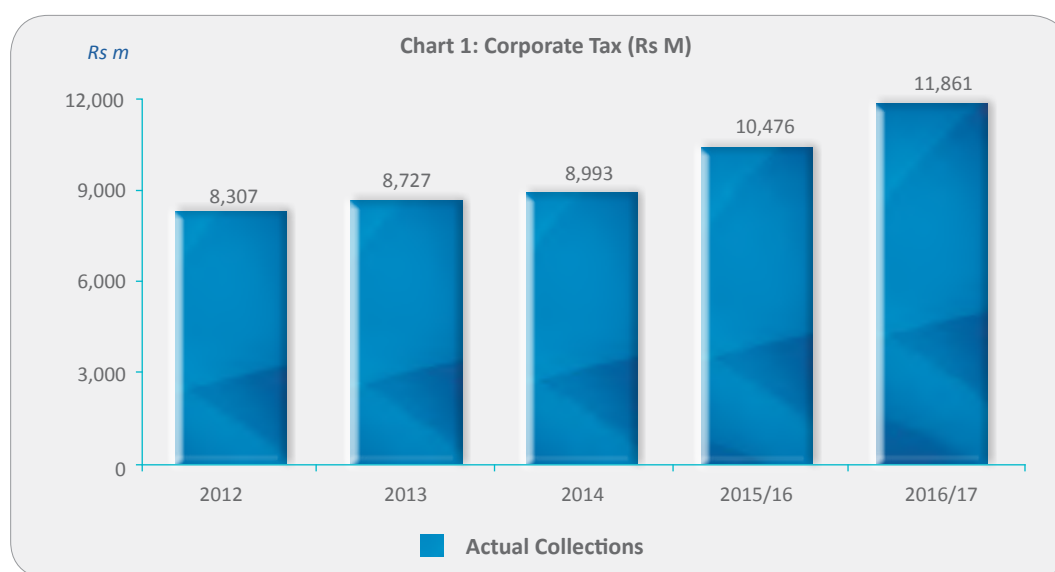
Revenue collections

During the fiscal year 2016/17, the 8% growth in collections was triggered by Excise duties (+Rs 1,616 m), VAT collections (+Rs 1,467 m), Corporate Tax (+Rs 1,385 m) and Personal Income Tax (Rs 1,087 m). When compared with the projected collections, Corporate Tax and Personal Income Tax were beyond expectations (+Rs 1,196 m). However, VAT and Excise duties were below projections by an aggregate amount of Rs 1,424 m.

5.1. DIRECT TAXES

5.1.1. Corporate Tax

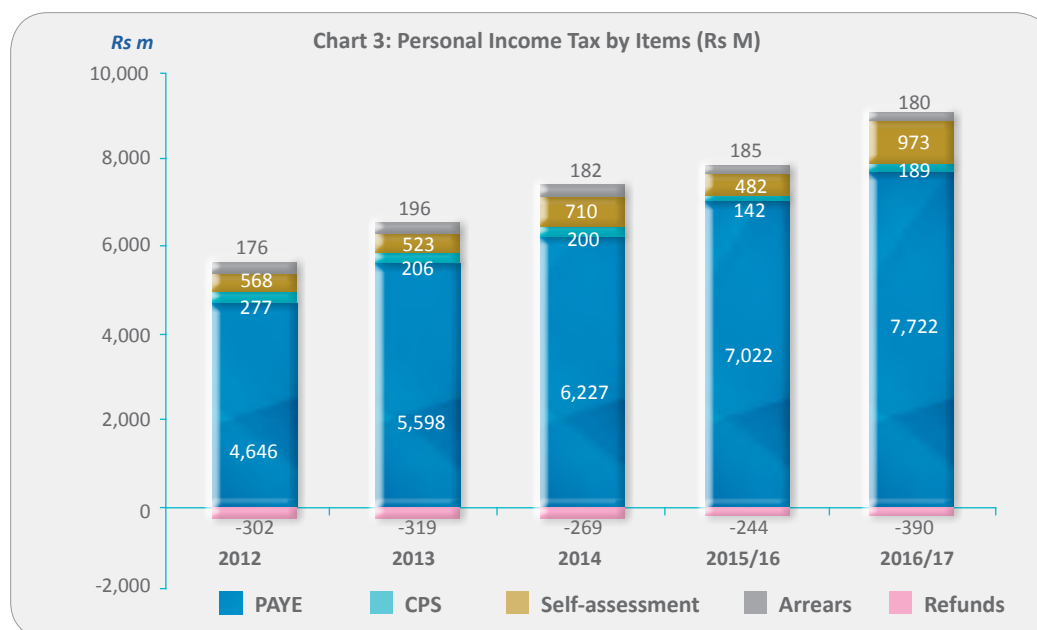
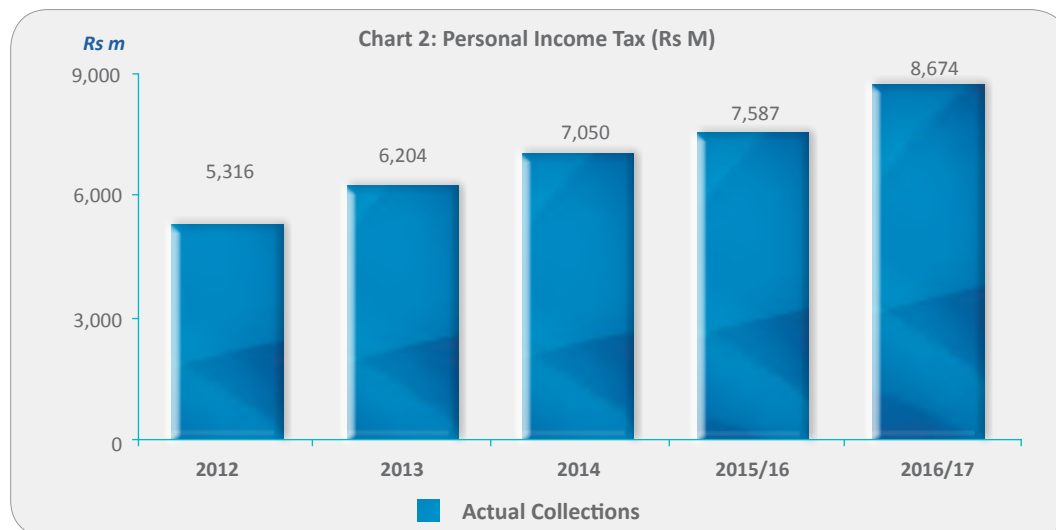
Receipts under Corporate Tax grew by Rs 1.4 billion and were 7% above projected estimates. Advance tax collected under the Advance Payment System grew by Rs 1 billion and self-assessment collections were Rs 376 m higher than the preceding year. The global business sector was a major contributor with a 40% share in Corporate Tax collections and during the year, collections from the sector grew by 16%. However, the sector also accounted for 50% of the Corporate Tax refunds with an amount of Rs 600 m being refunded to global business companies.



5.1.2. Personal Income Tax

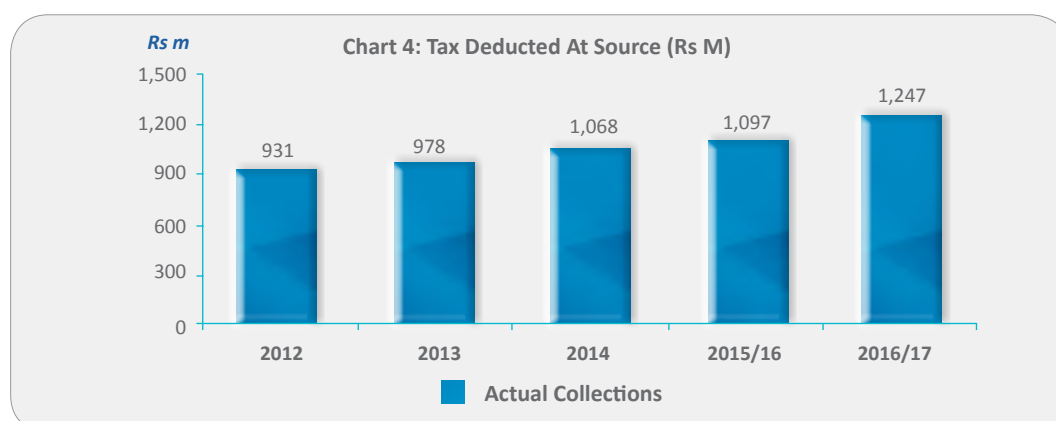
Personal Income Tax collections, representing proceeds from Pay As You Earn (PAYE) and Self-assessment for the period 2016/17 were to the tune of Rs 8,674 m i.e. 14 percentage points more than preceding year's receipts and 5% above budgeted estimates. While PAYE receipts grew by 10%, Self-assessment/arrears and CPS receipts respectively amounted to Rs 1,153 m (+73%) and Rs 189 m (+33%). Moreover, Rs 390 m was refunded during period under review.

Revenue collections



5.1.3. Tax Deducted At Source

Tax Deducted at Source collections in 2016/17 amounted to Rs 1,247 m i.e. a 14% increase over 2015/16 and were 3% above projections.

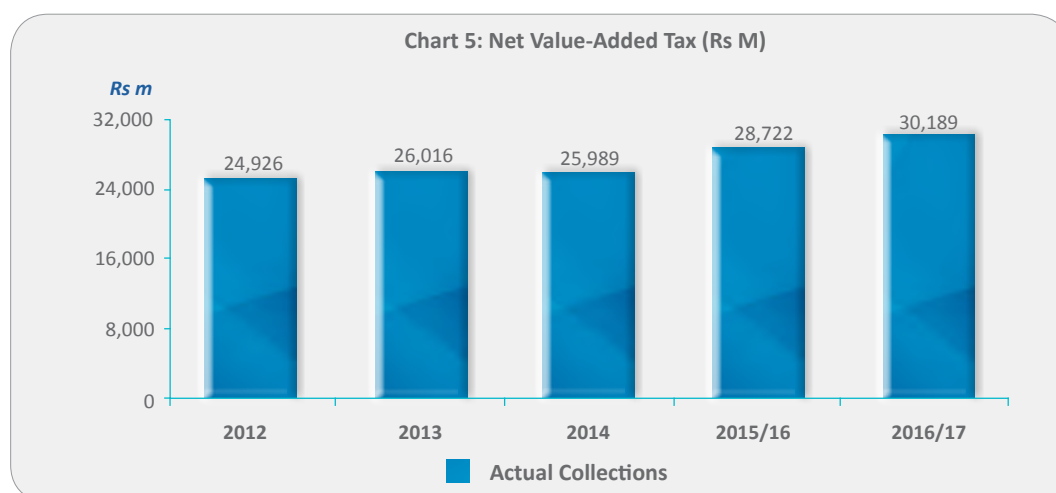


Revenue collections

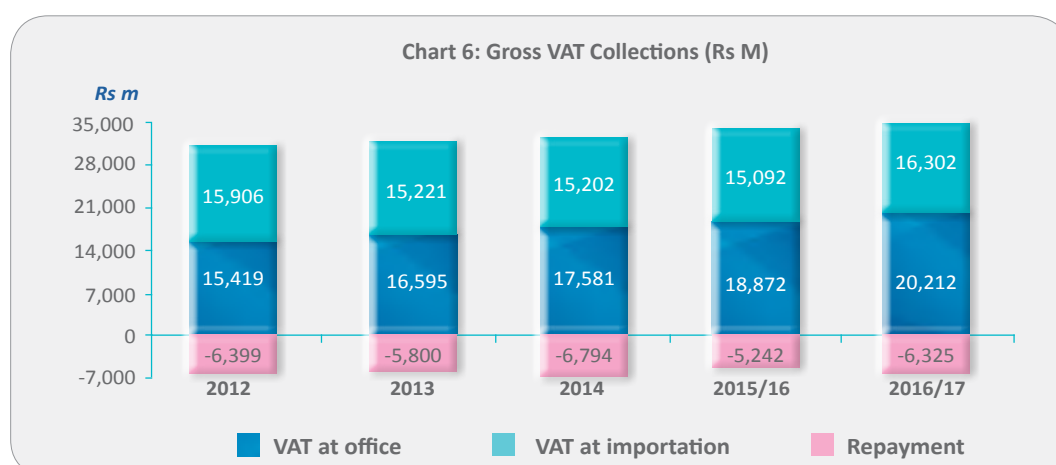
5.2. INDIRECT TAXES

5.2.1. Value-Added Tax

Net VAT collections in 2016/17 amounting to Rs 30,189 m were 5% more than corresponding collections in 2015/16 but were 4% below projections.



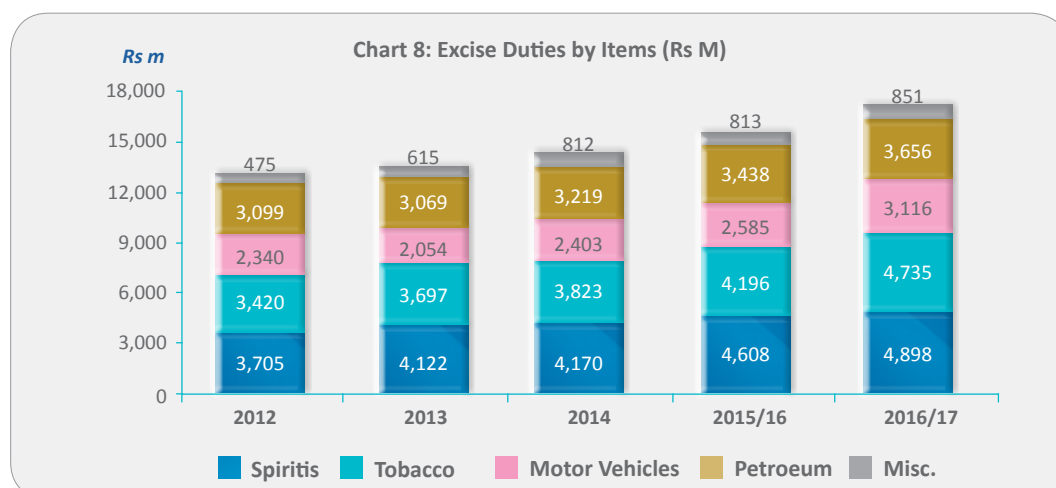
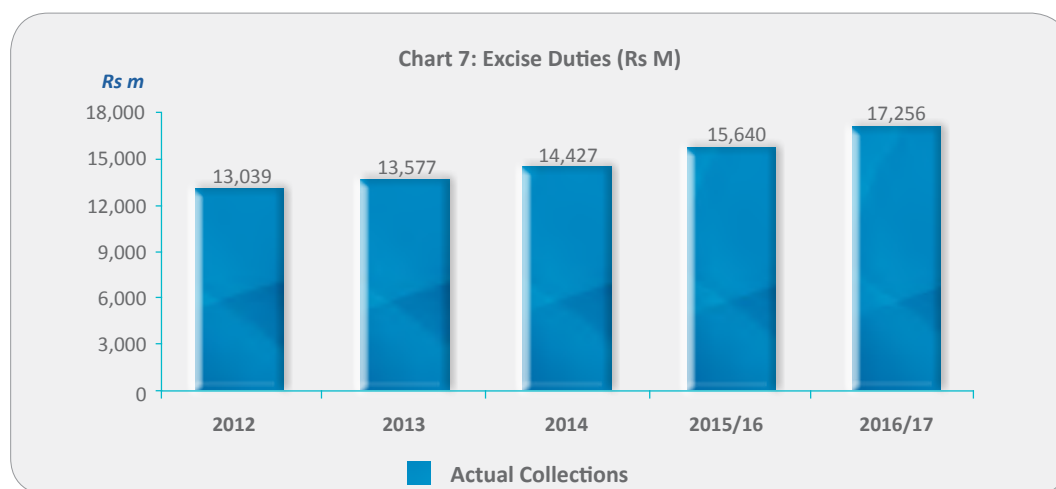
After stagnating in the preceding four years, receipts under VAT at importation in 2016/17 registered a growth of 8% with total collections of Rs 16.3 billion triggered by the trading and the financial intermediation sectors. Similarly, VAT at office collections of Rs 20,212 m in 2016/17 were 7% more than previous year's collections but 2% below expected growth of 9%. Overall, growth was observed across all sectors except for telecommunication sector and manufacturing of wearing apparel & textile. Major growth was observed in the construction, trading and hotel sectors.



5.2.2. Excise collections

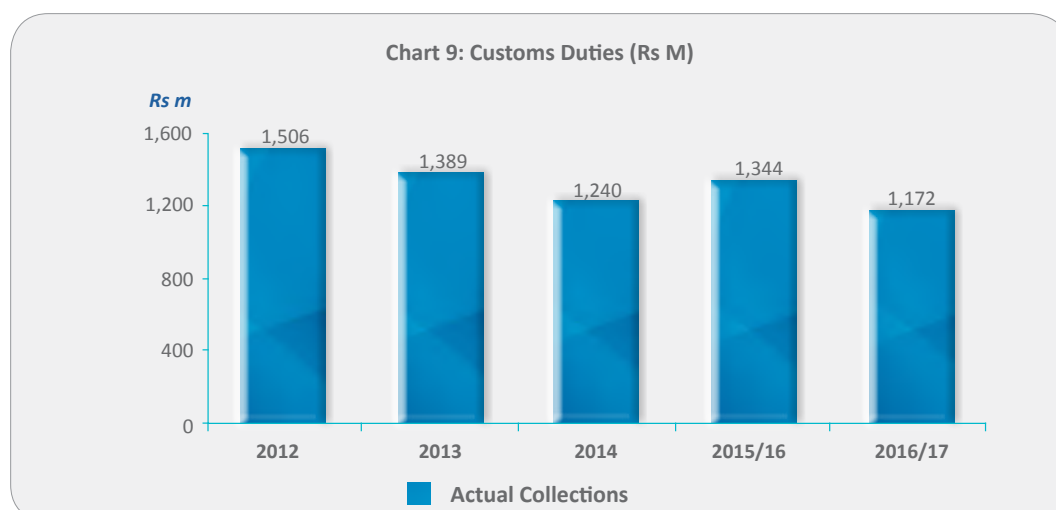
Total Excise duties increased by 10%, from Rs 15,640 m in 2015/16 to Rs 17,256 m in 2016/17 but were 1% below projections (Rs 17,439 m). To the exception of Motor vehicles, Petroleum product, plastic products and Misc. excise, all excisable items showed lower than expected growth. The shortfall over projected estimates was on account of tobacco products (-Rs 220 m), where a fall of 8% in volume declared for excise duty purposes has been observed, followed by spirits (-Rs 142 m) and sugar content (-Rs 107 m).

Revenue collections



5.2.3. Customs Duties

In 2016/17, collections from customs duties of Rs 1,172 m were Rs 22 m above initial projections of Rs 1,150 m. Although there was a rise of 8% in overall CIF value, the CIF value of imported goods on which Customs Duty is imposed (6% of total imports) fell by 14% leading to the fall in Customs Duties over the preceding year by 13%. The decrease in collections is mainly attributable to the reduction in customs duty rates on a wide range of items.



Revenue collections

5.2.4. Gambling taxes

Collections under Gambling taxes stood at Rs 1,885 m in 2016/17, Rs 40 m less than preceding year and were 5% below expected amount.



The drop in gambling taxes, as expected, was triggered by fall in receipts from lottery (lotto) from Rs 387 m in 2015/16 to Rs 242 m in 2016/17. It is explained by the fact that as from the second quarter of the financial year, 50% of the remittances by the Mauritius National Lottery Operator are transferred to the lotto fund to finance schemes or projects relating to promotion of sports, arts and culture and protection of national heritage.

Table 3: Gambling taxes (Rs m)		
Type of Gambling	Actual collection (Rs m)	
	2015/16	2016/17
Lottery	387	242
Taxes from Casinos and gaming houses	651	706
Taxes from Betting	887	937
<i>o/w Tax on Horse Racing</i>	511	531
<i>o/w Pool betting duty</i>	6	3
<i>o/w Betting Tax on Foreign Football</i>	370	403
Total	1,925	1,885

Taxes from betting amounting to Rs 937 m were 6% higher than preceding year's receipts and 2% above projected amount of Rs 920 m. Total betting tax on horse racing representing 57% of total betting receipts was up by 4%.

Gaming taxes from Casinos and gaming houses grew by 8% to reach Rs 706 m in 2016/17 but failed to meet projections set at Rs 750 m.

5.2.5. Other fees and levies

Passenger fee collections were to the tune of Rs 1,473 m, 20% more than preceding year's collections but 7% below projections set at Rs 1,580 m.

Receipts under special levy of banks of Rs 846 m nearly met the projected amount of Rs 850m and were 10% more than collections in 2015/16.

Revenue collections

Special levy telecommunications amounted to Rs 313 m i.e. 2% more than corresponding amount in 2015/16 but were 12% below projected amount of Rs 355 m.

Collections under Environment Protection Fee (EPF) fell by Rs 18 m to reach Rs 385 m in 2016/17.

Advertising Structure fees in 2016/17 of Rs 59 m decreased by 8% and were short of projections by Rs 11 m.

Table 4: Type of Fee/Levy and payments made (Rs m)

Fees/levies	Actual Collections (Rs m)				
	2012	2013	2014	2015/16	2016/17
Passenger Fee	1,206	1,219	1,213	1,230	1,473
Passenger Solidarity Fee	50	51	53	61	66
Special Levy on banks	482	473	772	771	846
Special Levy on Telecommunication	397	438	358	308	313
Corporate Social Responsibility Levy	130	125	149	147	-
Environment Protection Fee	145	130	159	403	385
Advertising Structure Fee	62	68	67	64	59
Tax Residence Certificate & Tax Rulings	-	51	64	83	75
Total	2,472	2,555	2,835	3,067	3,217

The MRA also has a legal obligation under section 3(3) MRA Act to collect certain levies under revenue laws and remit the same to dedicated Funds set up by the Government. Table 5 highlights the levies collected and transferred to the National CSR Foundation, Responsible Gambling and Capacity Building Fund and Lotto fund.

Table 5: Levies collected by the MRA and remitted to separate funds

Type of Levy	Transferred to	Amount collected (Rs m)
Corporate Social Responsibility	National CSR Foundation	170
2% Gambling Levy	Responsible Gambling and Capacity Building Fund	49
Lottery	Lotto fund	143

6.

PROVIDING QUALITY
SERVICES TO OUR
STAKEHOLDERS

Providing quality services to our stakeholders

"Education is not the filling of a pail, but the lighting of a fire."
— W. B. Yeats

Ensuring compliance to tax legislations remains a formidable challenge for all revenue authorities worldwide. One way to tackle this issue is through a good taxpayer services, a well-designed and targeted educational campaigns. Our core strategy revolves around imparting timely information on tax matters, providing a quality service, giving personalised attention wherever required and educating the citizen on becoming a compliant taxpayer.

6.1. TAX EDUCATION

6.1.1. Educating our taxpayers

The Taxpayer Education and Communication Department (TECD) is the educative arm of the MRA. With the mandate to educate and sensitize taxpayers on their rights and obligations, our taxpayer education strategy goes beyond existing taxpayers. It focuses on the taxpayers of tomorrow as well. In this respect students of schools and colleges are also targeted. During the 18-month period under review, taxpayer education campaigns were carried out all over the island and covered a myriad of tax issues. Table 6 highlights some of these educational campaigns.

Table 6: Tax Education campaigns conducted by the MRA	
Target Audience	Number of sessions
Attorney and Lawyers	1
Businesswomen	2
Professionals & Business Communities	1
SMEs	2
Staff	47
Stakeholders	3
Students	5
Total	61

A total of 61 educational sessions were conducted at the seat of different taxpaying organisations, namely accounting schools, Ministries, banks, lawyers and businesswomen. During the period under review, students from Rodrigues and University of Mauritius came at the MRA to learn more about the roles, functions and activities of the organisation.

6.1.2. Essay competitions

An essay competition was also launched in March 2017 for college students. The title of the essay was 'Why is it important to be a compliant taxpayer?' and more than 125 entries were received from private and public secondary schools from Mauritius and Rodrigues. The aim of the essay contest was to stir the interest of youngsters in relation to taxation and make them better taxpayers of tomorrow. The winners were awarded their respective prizes in July 2017.

The Winner was Mr Yohan Cheeneegadoo of Saint Esprit College and he received an iPad Pro. The first runner-up, Miss Soopaul Tejasvi of Forest Side SSS, was awarded an iPad 5th Generation and the third prize, an iPad Mini 4, went to Miss Krshtee Sukhbilas of MGI Moka.

Providing quality services to our stakeholders



6.1.3. Tax curriculum

During the period under review, the MRA prepared a draft tax curriculum for consideration by the Mauritius Institute of Education (MIE) in the context of the preparation of the curriculum of Grade 7, 8 and 9 of the Basic Education Level (Lower Secondary Education). The curriculum aims at imparting students with basic taxation knowledge and highlighting the importance of paying taxes.

6.1.4. Sensitization campaign about the VTA lucky draw

The VAT Lucky Draw was launched in 2014 to encourage the local population to claim a receipt for every transaction and for the VAT registered persons to issue a VAT invoice for every sales / transaction. To that end, VAT sensitization campaigns were conducted in the following shopping malls across the island to increase compliance with tax laws, namely the VAT Act.

Table 7: VAT lucky draw sensitization campaign - January 2016 to July 2017

Shopping Malls	Number of sessions held
Bagatelle Shopping Mall	1
Coeur de Ville- Flacq	2
Dream Price	1
Jumbo Phoenix	2
King Savers	1
Trianon Shopping Park	1
Vieux Moulin	1

The response received during the above sensitization campaigns was very positive and nearly 10,000 persons were reached. The MRA has received nearly 145,000 VLDS entries since 2014.



Sensitization campaign in shopping malls

Providing quality services to our stakeholders

6.1.5. Study tours from foreign delegations

During the period January 2016 to June 2017, the following overseas delegations visited the MRA to learn from existing policies, practices and procedures at the MRA:

Date	Delegations	Date	Delegations
11 th January 2016	Comoros and Madagascar	3 rd November 2016	Gambia
25 th January 2016	Zanzibar	4 th November 2016	Uganda
9 th February 2016	Namibia & Zambia	12 th December 2016	Namibia
11 th February 2016	Uganda	5 th December 2016	Botswana, Lesotho & Zambia
29 th February 2016	Republic of Guinea Conakry	16 th February 2017	Reunion Island
1 st March 2016	Reunion Island	14 th February 2017	Rodrigues, Madagascar, Seychelles & Mozambique
10 th March 2016	South African	14 th March 2017	Maldives
18 th April 2016	Senegal	9 th March 2017	Mali
12 th July 2016	Senegal	20 th March 2017	Zambia
1 st August 2016	Seychelles	17 th March 2017	Columbia University students
25 th August 2016	Malagasy	30 th March 2017	Malawi
12 th September 2016	Zambia	11 th May 2017	Malagasy
25 th October 2016	Burundi	19 th June 2017	Australia
24 th October 2016	Pakistan		



Visit of Columbia University students at the MRA

Providing quality services to our stakeholders

6.2. CUSTOMER CARE

Providing customer service to the level and expectations of the taxpayers has always been high on the agenda of the MRA. Various initiatives were implemented to facilitate the life of the taxpaying public.

6.2.1. Customer Service Feedback Terminals

With a view to improve the overall service delivery, the MRA values feedback from its stakeholders. The MRA has made available Customer Service Feedback Terminals (CSFTs) and Suggestion Boxes at the MRA Head Office, Custom House, Aurelie Perrine and Airport. Through these systems, the taxpayers may, in total anonymity, provide their feedback/grievances/suggestions so that the MRA may aspire to serve them better.

6.2.2. Complaints management system

The MRA also strives to provide the taxpayer with quality services in line with the MRA's Taxpayer's Charter and the Integrity Policy Statement. To this end, the MRA has introduced, on 17 June 2016, an Online Complaint Management System. With this system, members of the public can send their complaints electronically to the MRA, which are then channelled to the appropriate departments for remedial actions.

The screenshot shows the 'Mauritius Revenue Authority' logo at the top, followed by the title 'Filing of Complaint/Compliment/Suggestion/Feedback'. Below this is a form with two main sections: 'DETAILS OF FILER' and 'DETAILS OF COMPLAINT/COMPLIMENT/SUGGESTION/FEEDBACK'. The 'DETAILS OF FILER' section includes input fields for 'Your First Name', 'Your Last Name', 'Your Correspondence Address', 'Your Telephone No.', 'Your Mobile No.', 'Your Email Address', 'Your Tax Account No.', and 'Your Business Registration No.'. The 'DETAILS OF COMPLAINT/COMPLIMENT/SUGGESTION/FEEDBACK' section includes a 'Category' dropdown menu (with a 'Please select...' prompt) and a 'Description' text area.

Online complaint management system

In addition to the MRA's online complaint management system, the organisation also attends expeditiously to any complaint / suggestion received through the Government's recently set up Online Citizen Support Portal (OCSF). The Taxpayer Education & Communication Department (TECD) has been designated as the focal point for all MRA's issues received from the said portal.

6.2.3. Assistance to taxpayers in fulfilling their filing obligations

Like in the preceding years, the MRA provides assistance to the taxpayers to file their personal income tax returns through dedicated Free Income Tax Assistance (FITA) centres around the island of Mauritius and Rodrigues. There were 18 FITA centres where the taxpayers were provided assistance during the week-end to file their returns electronically and to effect tax payment.

Providing quality services to our stakeholders



MRA officers assisting taxpayers in a FITA centre

6.3. COMMUNICATION

Effective communication is essential for a tax administration to maintain a strong relationship with the taxpayers, especially when there are changes in the legislations and procedures. Therefore, by providing timely information in the most accurate manner is important to boost up compliance level.

6.3.1. Effective use of the media

The MRA laid much emphasis on visual and printed media so that important information was transmitted to the general public in the most effective manner. Table 9 provides the types of communiqués issued by the MRA.

Table 9: Communiqués issued		
Details	1 January 2016 – 30 June 2016 (i.e.; 6 months)	1 July 2016 – 30 June 2017 (i.e.; 12 months)
Number of communiqués issued via:-		
(a) TV / Radio;		
(b) Press; and,	513	1,903
(c) Government Gazette		

6.3.2. Website

With the on-going digitalisation of MRA services, the MRA website has a key responsibility in terms of services offered online. In 2017, the MRA website was updated to provide to the public a more user-friendly version by shifting to a new version of Joomla. The number of times the website was updated was as follows:-

Providing quality services to our stakeholders

- 1 January 2016 – 30 June 2016 (i.e.; 6 months) : 185 times
- 1 July 2016 – 30 June 2017(i.e.; 12 months) : 823 times

Likewise the number of website visits recorded was as follows:-

- 1 January 2016 – 30 June 2016 (i.e.; 6 months) : 366,000
- 1 July 2016 – 30 June 2017(i.e.; 12 months) : 780,000

In May 2016, the MRA has also hired a 'Multimedia Officer' who is responsible for the designing of all MRA publications, MRA Corporate Identity, digital materials and branding.

6.3.3. Intranet

During the year 2016, the MRA intranet was completely revamped to cater for the needs of the MRA staff members. The new Intranet System, which became accessible as from 13th June 2016, replaced the previous Income Tax and VAT Intranets which were out of pace in the dynamic environment that the MRA is now evolving after 10 years of successful operations. Both systems have been consolidated, taking into consideration the preferences of the staff in searching for information and getting access to online services. This new staff portal now provides with an efficient Search Engine, as well as new features such as Important Dates, HRMS, World Client, Who's Who at the MRA and a direct link to Customs Intranet among other features.

6.3.4. Twitter

The MRA's twitter account is accessible by clicking on the following link http://twitter.com/MRA_service. Important messages are tweeted for the benefits of the taxpayers who follow MRA on tweeter. The numbers of taxpayers who follow MRA tweeter were as follows:-

- 1 January 2016 – 30 June 2016 (i.e.; 6 months) : 590
- 1 July 2016 – 30 June 2017(i.e.; 12 months) : 677

6.3.5. Taxpayer mailing service

The Taxpayer Mailing Service provides to the subscribers with latest information and publications free of charge. The numbers of taxpayers who subscribed to that service were as follows:-

- 1 January 2016 – 30 June 2016 (i.e.; 6 months) : 45,000
- 1 July 2016 – 30 June 2017(i.e.; 12 months) : 67,821

6.3.6. E-newsletter

Every month the MRA issues an e-newsletter so as apprise the general public of the various activities conducted by the MRA and also provide useful information on tax and non-tax matters alike.

Providing quality services to our stakeholders



MRA e-Newsletter

Mauritius Revenue Authority | January 2017

Celebration of International Customs Day 2017



The Mauritius Revenue Authority (MRA) Customs Department celebrated the International Customs Day (ICD) on Thursday 26th January 2017 at the MRA Custom House. The Chief Guest of the event, Honourable Dharmendar Seesunkur, Minister of Financial Services, Good Governance and Institutional Reforms, was welcomed by the Director-General of the MRA, Mr. Sudhamo Lal in the presence of the Financial Secretary, Mr. Dev Manraj.

The theme of the ICD 2017 is dedicated to Customs modernization process: collecting and analyzing data under the slogan 'Data Analysis for Effective Border Management'. In his address, Honorable Seesunkur emphasised that the MRA is one of the prominent public sector organisations that has embraced information technology to enhance its systems and processes.

Mr Sudhamo Lal reassured that the MRA Customs is in the process of on-going modernisation to meet the expectations of its stakeholders. The Director of Customs, Mr. Ramburun focused his speech on the several development projects that the MRA Customs has undertaken so far.



On that occasion, the Chief Guest officially launched the E-Auction project, the Time Release Study (TRS) and the HS 2017 and the event concluded with the award of WCO Certificates of Merit to MRA staff and stakeholders.



Editor's Note

Dear Readers,

During the first month of the year, the MRA celebrated the International Customs Day, which was graced by the Honourable Dharmendar Seesunkur, Minister of Financial Services, Good Governance and Institutional Reforms. During January, the Director-General of the MRA announced that the 3-years-old VAT Lucky Draw Scheme has yielded satisfactory results and that it will be pursued during 2017.

Last but not least, Mauritius signed the the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports in Paris in January.

The MRA thanks taxpayers for their usual support

In this issue...

- Celebration of International Customs Day 2017
- Draw of Prizes for VLDS 2016 (4th Quarter)
- MRA hosts the 'WCO Train the Trainer Workshop 2017 - Integrity & Ethics'
- Courtesy Call of Mr. T. Pattison at MRA
- MRA Presentation at the IFA Seminar
- Technical Working Group (TWG) Meeting
- Mauritius signs the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports
- MRA Customs: Trainee Customs' presentations
- Sensitizing Local Entrepreneurs
- FMSC Swimming Competition

MRA e-Newsletter – January 2017 issue

www.mra.mu | taxpayerservices@mra.mu | twitter.com/MRA_services

Providing quality services to our stakeholders

6.3.7. Other means of communication

(a) Press conference

The Director-General and his Management Team regularly meet with the press to convey important updates on salient fiscal matters and also provide insights on the organisational performance and strategic directions for the year. The Annual Press conference on performance and future strategies was held on Wednesday 26th July 2017 at the MRA Head Office.



The Director-General addressing the press

(b) Publication of the Annual Report

As per the relevant statutory provisions, the MRA publicly provides in total transparency the achievements of the organisation through the publication and release of its Annual Report. The MRA's 2015 Annual Report was presented to the Honourable Minister of Finance and Economic Development, Mr Pravind Kumar Jugnauth, on Thursday 8th December 2016 after its audit by the National Audit Office (NAO).



Presentation of the MRA Annual Report 2015 to the Honourable Minister of Finance & Economic Development

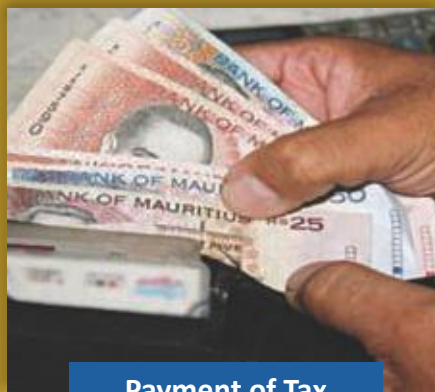
DIGITALISATION OF PROCEDURES



Filing of Tax Returns



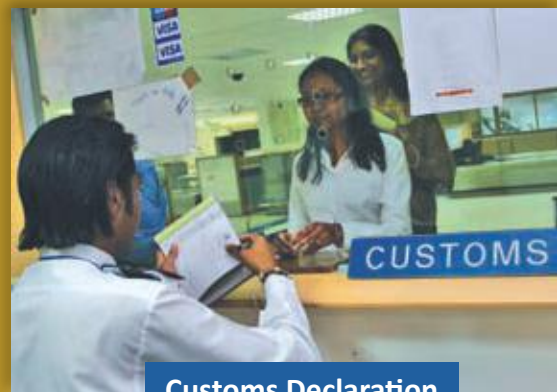
E-Filing



Payment of Tax



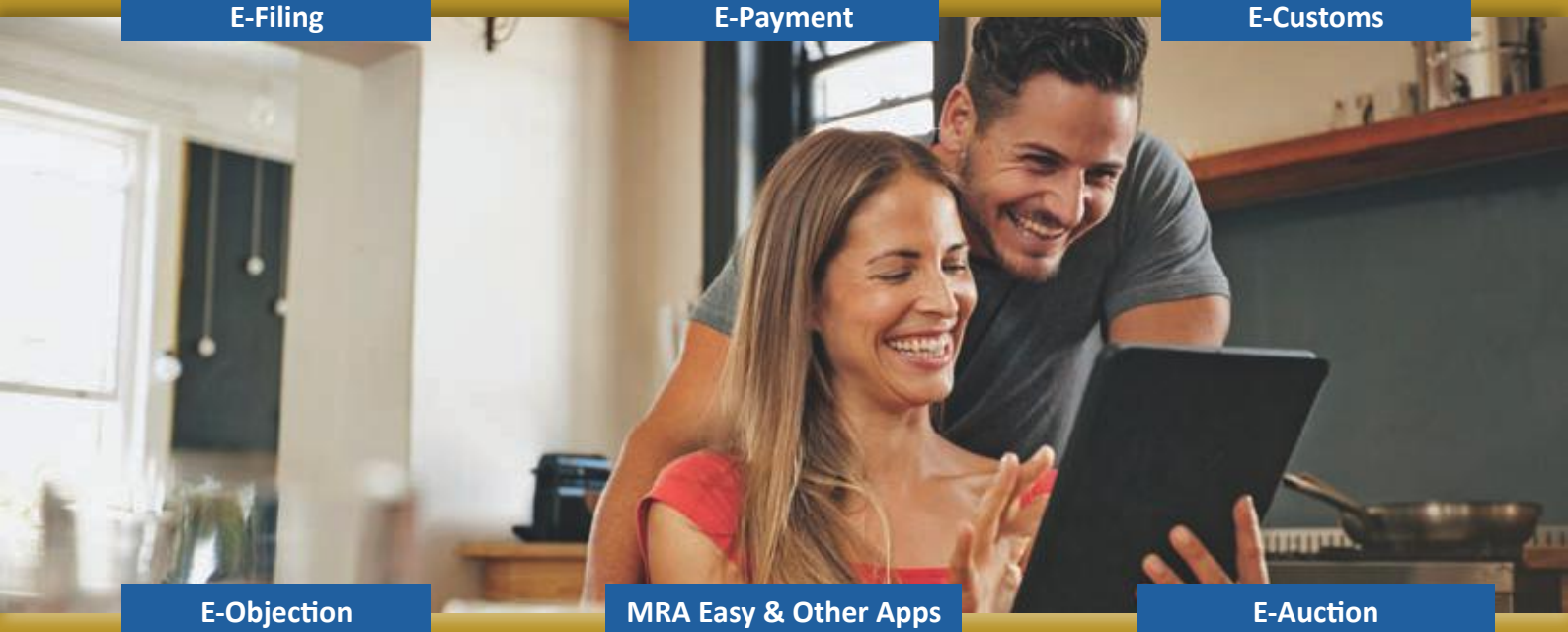
E-Payment



Customs Declaration



E-Customs



E-Objection



Objection

MRA Easy & Other Apps



E-Auction



Auction Sales



7.

MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOMES

Monitoring Tax Compliance: Initiatives and Outcomes

In the preceding chapter, emphasis was laid on the role of the MRA in promoting voluntary compliance through taxpayer education, facilitation and communication. However, higher voluntary compliance with the tax laws is a combination of both enforcement and non-enforcement activities. Enforcement activities may include tracking a non-registered taxpayer or dealing with a taxpayer who is not paying his fair share of taxes. This chapter provides the achievements under registration, filing and payment compliance. Our involvement on international taxation issues for the year under review is also being reported for sake of completeness.

7.1. REGISTRATION COMPLIANCE

Effective tax administration encompasses an expeditious taxpayer registration process and the maintenance of a complete and up-to-date taxpayer registration database. The task is performed by a dedicated Department within the MRA. The achievements under this head are provided in the sub-sections which follow.

7.1.1. Income Tax

To file a tax return and pay tax, an individual or a company needs first to be registered with the MRA and obtain a TAN (Tax Account Number). Table 10 detailed the different category of taxpayers registered with the MRA during the 18-months period ending June 2017.

Table 10: Tax register – 30 June 2016 and 30 June 2017					
Income Tax	Number on register			New registration	
	30.06.2016	30.06.2017	Growth (%)	January 2016 - June 2016	July 2016 - June 2017
Individuals					
<i>Employees</i>	137,728	161,091	17	889	25,972
<i>Self-employed</i>	64,713	70,783	9	2,739	7,120
Companies	65,613	67,547	3	8,947	9,124
Sociétés	5,606	5,635	0.6	203	166
Successions	2,362	2,397	1.5	33	36
Trusts	148	176	19	33	52
Unit Trusts	2	2	-	-	-
Total	276,172	307,631	11.4	12,844	42,470
Employers	19,495	19,856	1.9	462	1,149

The number of taxpayers on register under income tax at end of June 2017 increased by an average of 11.4% with growth in all segments except Unit Trusts. The growth was mostly propelled by 33,092 new registrations within individual taxpayers' category, particularly the salary earners.

During the period July 2016-June 2017, there were 1,149 new employers registered thus bringing total number of employers at close of the financial year to 19, 856, i.e. an increase of 2% from the corresponding previous year.

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7.1.2. Value Added Tax

The applicable VAT rate in Mauritius is 15%. But prior to charging VAT to customers on taxable supplies and submitting a VAT form, a person has to be registered with the MRA. At the end of the FY 2016/2017, the number of VAT registered taxpayers grew by 3.1% to reach 18,202 against 17,659 in FY 2015/2016. New VAT registration was relatively high amongst corporate bodies with a total of 1,982.

Table 11: VAT register – 30 June 2016 and 30 June 2017					
Category of VAT payers	Number on register			New registration	
	30.06.2016	30.06.2017	Growth (%)	January 2016 - June 2016	July 2016 - June 2017
Monthly					
<i>Individuals</i>	250	235	(6)	22	12
<i>Companies</i>	5,630	5,778	2.6	194	536
Quarterly					
<i>Individuals</i>	2,018	2,086	3.3	106	214
<i>Companies</i>	9,761	10,103	3.5	641	1,446
Total	17,659	18,202	3.1	963	2,208

7.1.3. Agency Tax

Acting as a collecting agent for the government, the MRA also collects Environment Protection Fee (EPF), Passenger Fee and Advertising Structure Fee. The number of registration under these heads is provided in Table 12.

Table 12: Register of Agency Tax as at 30 June 2016 and 30 June 2017				
Agency Tax	Number on register		New registration	
	30.06.2016	30.06.2017	January 2016 - June 2016	July 2016 - June 2017
EPF				
<i>Companies</i>	310	324	36	18
<i>Individuals</i>	67	66	12	0
Passenger Fee				
<i>Companies</i>	24	29	5	6
<i>Individuals</i>	0	0	0	0
Advertising Structure Fee				
<i>Companies</i>	2,124	2,064	18	40
<i>Individuals</i>	17	12	0	0
TOTAL	2,542	2,495	71	64

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7.1.4. Gambling

Table 13: Register of Gambling Tax – 30 June 2016 and 30 June 2017				
Category	Number on register		New registration	
	30.06.2016	30.06.2017	January 2016 - June 2016	July 2016 - June 2017
Casino	5	5	1	-
Gaming House A	20	20		-
Bookmaker-Horse racing	40	42	2	5
Totalisator	2	2		-
Horse racing organiser	1	1		-
Bookmaker-Any event	8	8	1	-
National Lottery	1	1		-
Sweepstake organiser	3	3		-
Local pool promoter	1	1		-
Agent of foreign pool promoter	1	1		-
TOTAL	82	84	4	5

7.2. FILING COMPLIANCE

Our revenue legislations make specific provisions for the filing of tax and VAT returns by taxpayers (individuals and companies) by the statutory due date. Failure to file a return on time is sanctioned by penalty for late submission of return. For taxpayers with a tax liability there is additional penalty and interest for late payment of tax. The on-time filing rate which is defined as the number of declarations filed by the due date as a percentage of total number of returns expected from taxpayers is an important indicator for monitoring filing compliance. The on-time filing rates for the main taxes are provided in the tables which follow.

7.2.1. Personal Income tax

Table 14: On-time filing of PIT declarations – Assessment years 2015/16 and 2016/17		
Details	Year of Assessment 2015/16	Year of Assessment 2016/17
Returns expected	232,878	174,367
Returns filed on time	147,396	150,133
On-time filing rate	63.3%	86.1%

Note: Increase in on-time filing is mainly due to removal of infructuous cases from the register, i.e. taxpayers who do not have a filing obligation.

7.2.2. Corporate Income Tax

Table 15: On-time filing by companies – Year 2015 and FY 2015/16		
Details	Year of Assessment 2015	Year of Assessment 2015/16
Returns expected	58,502	51,853
Returns filed on time	34,605	38,913
On-time filing rate	59.1%	75.0%

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For the assessment year 2016/17 up to June 2017, 39,241 corporate returns were received out of the expected 57,312 returns.

7.2.3. Value Added Tax

Table 16: On-time filing VAT – Year 2015 and Year 2016/17		
Details	Year 2015	Year 2016/17
Returns expected	111,000	117,463
Returns filed on time	98,676	102,945
On-time filing rate	89%	88%

7.3. REFUND AND REPAYMENT

7.3.1. Income Tax Refund – Individuals

In FY 2016/17 there were 54,261 individual taxpayers who submitted a claim for tax refund. The MRA processed 54,091 of those claims out of which more than 90% were auto-refunded, i.e., refunds through automated checks-no examinations or queries. The aggregate amount refunded to taxpayers stood at Rs 390m.

Table 17: Income Tax refund claims from individuals – FY 2015/16 and FY 2016/17			
Details		FY 2015/16	FY 2016/17
Number of refund claims received		71,125	54,261
Number of refund claims processed	Auto-refunded	62,024	49,146
	Examined	6,434	4,945
Amount refunded		Rs 215.7m	Rs 390m

7.3.2. Income Tax Refund – Corporate Bodies

In FY 2016/17, 1,957 refund requests were received from corporate bodies out of which 1,873 were processed. The amount refunded in FY 2016/17 was Rs 1,178m, i.e. 29% higher than the amount of Rs 915m in the corresponding previous fiscal year.

Table 18: Income Tax refund claims from corporate bodies – FY 2015/16 and FY 2016/17		
Details	FY 2015/16	FY 2016/17
Number of refund claims received	2,156	1,957
Number of claims processed	1,979	1,873
Amount refunded	Rs 915m	Rs 1,178m

7.3.3. VAT Repayment

A VAT registered person may make a claim for repayment of VAT where his VAT return shows an excess and he incurs capital expenditure or makes zero rated supplies or substantiates that the excess amount in his return is unlikely to be offset against future output tax. The statutory time limit for effecting VAT repayment by the MRA is 45 days. However, with effect from April 2017, the MRA has introduced a Fast Track VAT Refund Scheme (FTVRS). Indeed, for VAT returns filed electronically under the FTVRS, repayment is effected within 7 days from the receipt of the claim subject to the taxpayer satisfying certain conditions. In FY 2016/17, the MRA has processed 5,652 VAT repayment claim. The total amount repaid on the processed claims was Rs 6,307m.

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Table 19: VAT repayment claims processed – FY 2015/16 and FY 2016/17

Details	FY 2015/16	FY 2016/17
Number of repayment claims received	6,450	5,748
Number of repayment claims processed	6,349	5,652
Amount repaid	Rs 5,224m	Rs 6,307m

7.3.4. VAT Refund Schemes

In the FY 2016/17, the Authority operated two VAT Refund Schemes: VAT Refund Scheme on Residential Building or Apartment and VAT Refund Scheme for the Agro-industrial, Fisheries and Bakery sector.

The VAT Refund Scheme on Residential Building or Apartment allows a person who satisfies certain conditions to apply for a refund of VAT on the construction of a residential building or the purchase of a residential apartment or house from a property developer.

The VAT Refund Scheme for agro-industrial and fisheries sector was introduced in 2012 and was extended to the bakery sector as well as to tea cultivators in the Budget Speech 2017/18. The Scheme provides for the refund of VAT on a scheduled list of equipment purchased by planters, horticulturists, breeders, apiculturist, fisherman, bakers and tea cultivators.

The number of persons who were refunded under these two Schemes in FY 2016/17 is provided in Table 20.

Table 20: Claims under VAT Refund Schemes – FY 2016/17

Details	Construction of residential building or purchase of apartment	Small planters
Number of persons claiming VAT refund	33	275
Amount repaid	Rs 3.3m	Rs 8.05m

7.4. DEALING WITH NON-COMPLIANCE TO TAX LAWS

7.4.1. Tracking of Non-filers

7.4.1.1. Issue of letters

The MRA keeps track of all those who do not meet their filing obligations through the Non-Filers Unit of the Medium and Small Taxpayers Department. During the FY 2016/17, the Unit issued 6,513 letters to non-filers following which Rs 137m were collected in the form of various taxes as provided in Table 21. Those non-filers who did not respond to the letter, the MRA carried out tax audit and issued to them with notices of assessment. Detail on assessments raised on non-filers is provided in Table 26.

Table 21: Letters issued to non-filers, FY 2016/17

Tax types	Letters issued to non-filers	Voluntary tax declaration following issue of letters to non-filers (Rs m)
VAT	3,305	70
Corporate Tax	3,009	65
Personal Income Tax	199	2
Total	6,513	137

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7.4.1.2. Issue of Automatic Tax Claim

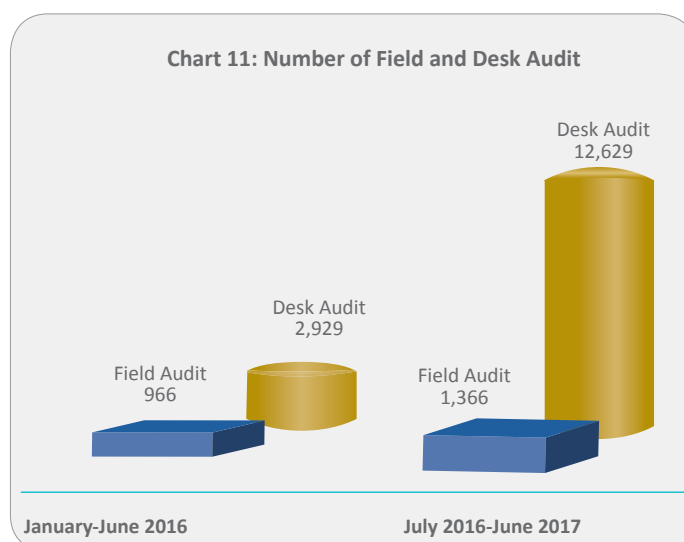
As per the provision of our Income Tax legislation, every company is required to file a return of income annually not later than the due date. There are, however, some companies which still do not meet their filing obligation in spite of reminders issued to them. By virtue of Section 122B of the Income Tax Act 1995, the MRA has been vested with the power to issue Automatic Tax Claim. During the FY 2016/17, the MRA issued Automatic Tax Claims to 185 taxpayers for a total tax amount of Rs 6 million.

7.4.1.3. Field and Desk Audit

To deter non-compliance and maintain a culture of tax compliance amongst the taxpayers' community, the MRA has deployed substantial human resources to its investigation and tax audit teams. Table 22 provides an overview of the number of officers involved in audit and investigation functions.

Table 22: Officers assigned to tax audit functions								
	Large Taxpayers Department		Medium and Small Taxpayers Department		Fiscal Investigation Department		Total	
	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017
Total number of staffs	63	69	206	201	52	61	321	331
Officers in tax audit activities	26	30	163	161	18	21	207	212

For the FY 2016/17, the above audit teams completed 2,929 field and 12,629 desk audits respectively. It is to be noted that as from FY 2016/17, audits performed by our Repayment/Refund Section are considered as desk audits.



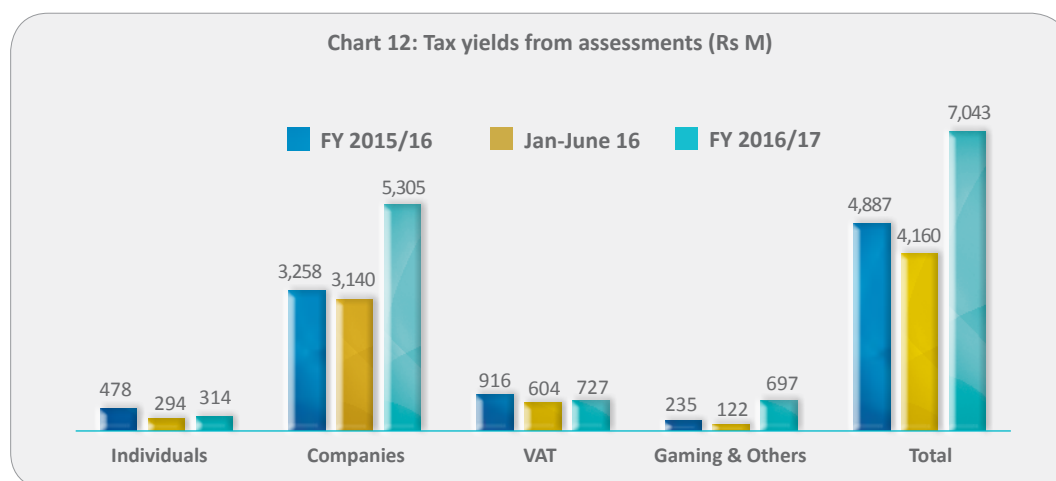
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7.4.2. Audit and Investigation

7.4.2.1. Tax yield from Audit

The MRA tax audit team uncovered non-compliant cases with a total tax yield of Rs 7.0 billion through the issue of 6,947 notices of assessments in FY 2016/17. In the corresponding previous period, 7,453 assessments were issued with an aggregate tax bill of Rs 4.9 billion. Thus, the tax yield per assessment which was Rs 0.67m in FY 2015/2016 increased to Rs 1.01m in FY 2016/17.

The amount of tax assessed by types of taxes is shown in Chart 12. Of the total amount assessed in FY 2016/17, 75% represented taxes claimed from corporate entities and the high amount of assessed tax in FY 2016/17 is mainly explained by one company in the global business sector being issued with a notice of assessment in the tune of Rs 2.2 billion.



7.4.2.2. Tax yield from Investigation

The Fiscal Investigation Department (FID) was set up by virtue of Section 3 (4) of the MRA Act 2004 and is responsible for undertaking in-depth investigations into suspected cases of tax evasion. The FID comprises of four main Units which are:

- Investigation
- Intelligence
- Joint Investigations Unit (Customs, Income tax and VAT)
- Special Measures Unit

During the FY 2016/17, the FID completed 304 investigations with total tax yields of Rs 457.5m, thus resulting into a tax yields per investigation of Rs 1.50m. For the six-month period January-June 2016, the total tax yield was Rs 380.3m for 211 completed investigations as detailed in Table 23.

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Table 23: Tax yields from investigation completed – January 2016-June 2016 and July 2016-June 2017

Description	Income Tax		VAT		Excise		Total	
	January 2016 - June 2016	July 2016 - June 2017	January 2016 - June 2016	July 2016 - June 2017	January 2016 - June 2016	July 2016 - June 2017	January 2016 - June 2016	July 2016 - June 2017
Number of Investigation completed	138	209	59	85	14	10	211	304
Tax yield from investigation (Rs m)	233.5	302.1	137.9	143.9	8.9	11.5	380.3	457.5

7.4.2.3. Intelligence

The Intelligence Unit of the FID gathers information from various sources for the purpose of detecting serious tax evasion cases. Such information is of vital importance in improving the quality of our investigation. In FY 2016/17, 482 intelligence visits were conducted following which 362 cases were referred for audit and 24 for registration. For the period January-June 2016, 222 visits were undertaken and which were culminated into 124 and 4 cases being referred for audit and registration respectively.

7.4.2.4. Special Measures Unit

Officers of the Special Measures Unit concentrated their investigations into two specific activities of the economy particularly the Supermarkets and Restaurants sectors. These investigations revealed substantial under declaration of both income tax and VAT.

Table 24: Achievements of Special Measures Unit

Sector	January-June 2016			FY 2016/17		
	Number of cases	Amount assessed (Rs m)		Number of cases	Amount assessed (Rs m)	
		Income Tax	VAT		Income Tax	VAT
Restaurant	35	32.68	53.99	41	14.86	18.85
Supermarket	3	0.44	0.40	9	2.88	4.31
Total	38	33.12	54.39	50	17.74	23.16

7.4.2.5. Audit of High Net Worth Individuals (HNWIs)

The tax compliance of HNWIs is monitored by the MRA's High Net Worth Unit within the structure of the Medium and Small Taxpayers Department. HNWIs are those who, in an income year derive net income and exempt income exceeding Rs 15 million or own assets the cost of which exceeds Rs 50 million. At end of the FY 2016/17, there were 313 HNWIs with 84 new wealthy individuals identified during the same financial year. In FY 2016/17, the Unit completed 15 tax audits, i.e., 10 more than during the period January to June 2016.

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Table 25: Tax audit of High Net Worth Individuals – January 2016-June 2016 and July 2016-June 2017

Details	January-June 2016	July 2016-June 2017
Number of HNWI's at end of income year	229	313
Number of cases selected for audit	5	17
Number of audit completed	5	15
Number of assessment raised	4	7
Amount assessed (Rs)	9,554,225	2,038,419

7.4.2.6. Audit of non-filers

The Non-Filers Unit completed 995 audits during the period July 2016 to June 2017 following which 624 notices of assessment were issued to non-filers. The amount of taxes claimed stood at Rs 235.3m.

Table 26: Audit of non-filers Individuals – January 2016-June 2016 and July 2016-June 2017

Details	January-June 2016	FY 2016/17
Number of site visits effected	59	69
Number of audits completed	686	995
Number of assessment raised	441	624
Amount assessed	Rs 203.8m	Rs 235.3m

7.4.2.7. Monitoring of taxpayers' compliance in Rodrigues

Taxpayers living in Rodrigues also have to fulfil their tax obligation as their Mauritian counterparts and the MRA Rodrigues has been vested with the responsibility of ensuring that they comply with our revenue legislations. The achievements of MRA Rodrigues are provided in Table 27.

Table 27: Achievements of MRA Rodrigues, January-June 2016 and FY 2016/17

Activities	January-June 2016	FY 2016/17
Registration of new taxpayers		
Income Tax	114	554
VAT	2	8
Employers (PAYE)	11	10
Assessments issued- Number		
Income Tax	34	52
VAT	3	4
Assessments issued- Amount		
Income Tax	Rs 0.29m	Rs 2.13m
VAT	Rs 1.22m	Rs 4.12m
Revenue collected		
Income Tax	Rs 3.63m	Rs 16.32m
VAT	Rs 21.40m	Rs 43.20m
PAYE	Rs 14.65m	Rs 32.22m

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7.5. PROSECUTION

Tax evasion is a serious offence and on conviction by the Court, a taxpayer may even be subject to imprisonment. In FY 2016/17, the Legal Services Department of the MRA lodged 26 new cases before the Court and during the same financial year the Court gave its decision in 35 cases with total taxes amounting to Rs 26.8 million.

Table 28: Status of prosecutions under various revenue legislations

Offences under various Acts	Total cases under prosecution				Decisions by Court				Cases under prosecution	
	January-June 2016		July 16-June 17		January-June 2016		July 16-June 17		End June 2017	
	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)
Customs Acts	29	3.31	26	3.39	10	0.59	11	0.89	15	2.49
VAT Act	7	66.21	21	48.0	6	18.21	6	15.94	15	32.06
Income Tax Act	14	35.11	20	33.24	1	1.86	3	5.94	17	27.30
Excise Act	9	0.39	16	0.19	5	0.19	14	0	2	0.19
Gambling Act	2	8.06	2	8.06	-	-	1	4.06	1	4.0
Total	81	113.08	85	92.88	22	20.85	35	26.83	50	66.04

Prosecution for serious tax offences is not only restricted to individual taxpayers. Corporate bodies were also prosecuted before the Court during the period January-June 2016 and July 2016-June 2017. Table 29 provides for the amount of fine paid by both category of taxpayers.

Table 29: Companies and individuals fined by Court

Category of taxpayers	January-June 2016		July 2016-June 2017	
	Number convicted	Amount fined (Rs)	Number convicted	Amount fined (Rs)
Companies	15	639,496	27	3,064,914
Individuals	7	64,091	8	57,318
Total	21	703,587	35	3,122,232

7.6. OBJECTIONS AND APPEALS

Any person who is dissatisfied with an assessment/claim issued to him may lodge an objection in an approved form or electronically within 28 days of receipt of the notice of assessment/claim to the Objections, Appeals and Dispute Resolutions (OADR) Department. The number of objection cases dealt by the OADR Department during the period January 2016 to June 2017 is shown in Table 30.

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Table 30: Objection cases by tax types

Table 30: Objection cases by tax types												
	Cases as at 1 January 2016		Cases lodged				Cases determined				Cases at 30 June 2017	
			January-June 2016		FY 2016/17		January-June 2016		FY 2016/17			
	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)
Income Tax	263	264.3	1,150	2,824.2	1,766	4,109.5	738	1,788.5	1,944	2,799.6	497	2,609.9
VAT	52	209.7	226	522.6	305	676.1	135	351.2	364	820.2	84	237.0
Gambling & Others	51	286.3	202	234.7	310	55.9	228	488.1	277	74.4	58	14.4
Customs & Excise	24	19.6	47	21.6	79	174.9	60	35.2	72	177.3	18	3.6
Total	390	779.9	1,625	3,603.1	2,460	5,016.4	1,161	2,663.0	2,657	3,871.5	657	2,864.9

Where a taxpayer feels to be aggrieved by the determination of the MRA, he may lodge written representations with the Clerk to the Assessment Review Committee (ARC) and if he is still not satisfied with the decision of the ARC he may appeal to the Supreme Court. The number of appeals by taxpayers for the period January to June 2016 and July 2016-June 2017 is provided in Tables 31 and 32.

Table 31: Status of cases at ARC

Table 31: Status of cases at ARC												
	Cases as at 1 January 2016		Cases lodged				Cases determined				Cases at 30 June 2017	
			January-June 2016		FY 2016/17		January-June 2016		FY 2016/17			
	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)
Income Tax	2,197	6,842.4	404	2,058.9	1,285	2,559.7	315	703.8	779	536.4	2,792	10,220.7
VAT	319	1,704.3	94	296.1	265	728.2	40	93.4	125	378.3	513	2,256.8
Gambling & Others	28	339.3	327	386.3	45	124.8	116	73.7	59	40.5	225	736.2
Customs & Excise	206	180.5	47	25.5	48	28.7	40	45.3	54	119.3	207	70.2
Total	2,750	9,066.5	872	2,766.9	1,643	3,441.4	511	916.4	1,017	1,074.6	3,737	13,283.9

Table 32: Status of Appeal cases

Table 32: Status of Appeal cases												
	Cases as at 1 January 2016		Cases lodged				Cases determined				Cases at 30 June 2017	
			January-June 2016		FY 2016/17		January-June 2016		FY 2016/17			
	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)
Income Tax	87	165.3	15	408.9	7	0.9	16	4.4	18	286.5	75	284.1
VAT	8	23.5	7	6.4	1	1.7	1	1.4	3	9.8	12	20.5
Gambling & Others	5	7.2	-	-	-	-	-	-	4	4.6	1	2.6
Customs & Excise	1	0.1	1	0.3	3	10.6	-	-	1	9.7	4	1.3
Total	101	196.1	23	415.6	11	13.2	17	5.8	26	310.6	92	308.5

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7.6.1. Alternative Tax Dispute Resolution (ATDR)

An Alternative Tax Dispute Resolution (ATDR) Panel has been set up by virtue of Section 21C of the MRA Act. Operational since May 2017, the Panel is responsible to deal with applications for review made by taxpayers who have been assessed to tax in excess of Rs 10m and have made an objection or appeal to the Supreme Court/Privy Council. The status of ADTR cases as at 30 June 2017 is provided in Table 33 and the ADTR Panel finalized 5 cases out of 37 eligible cases.

Table 33: Status of ADTR cases as at 30 June 2017		
Details	Number	Amount (Rs m)
Cases received	41	1,314.9
Cases not eligible for ADTR Panel and not entertained	4	31.1
Cases finalized	5	176.7
Cases for processing	32	1,107.1

7.7. DEBT COLLECTION PERFORMANCE

7.7.1. Arrears collection

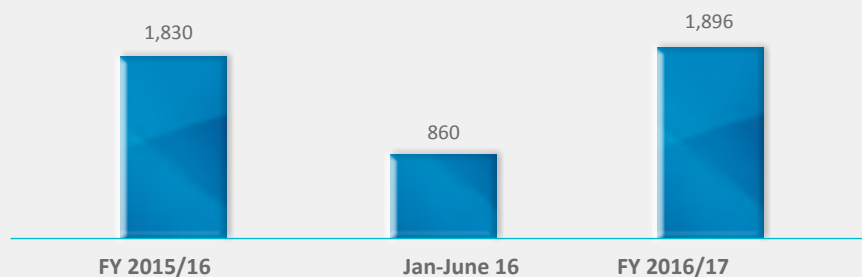
The Debt Management Unit within the Operational Services Department is responsible for collecting arrears from tax debtors and in enforcing recovery actions. Table 34 detailed the MRA's recovery efforts pursued against those taxpayers with tax debt in financial years 2015/16 and 2016/17. During the period under review, the MRA extended payment facilities to 975 taxpayers for the settlement of their tax liabilities aggregating to Rs 360m being paid on an instalment basis.

Table 34: Recovery actions, FY 2015/16 and FY 2016/17				
Enforcement actions	FY 2015/16		FY 2016/17	
	Number	Amount (Rs m)	Number	Amount (Rs m)
Claims	3,028	2,115.0	9,578	3,602.0
Agreements	438	289.1	975	360.0
Attachment Order - Salary	8	1.7	44	1.4
Attachment Order-Others	813	650.8	2,806	922.9
Distress Warrants	25	47.1	38	60.8
Inscription	459	1,319.1	757	1,416.2
Renewal	74	410.0	200	828.7
Objection to departure	27	214.5	20	26.6
Prosecution	-	-	4	13.4
Prior notice contrainte	60	155.2	35	143.7

During the FY 2016/17, our recovery actions enabled the collection of Rs 1,896 million as arrears, almost 4% higher than the amount of Rs 1,830m collected in FY 2015/16 as shown in Chart 13.

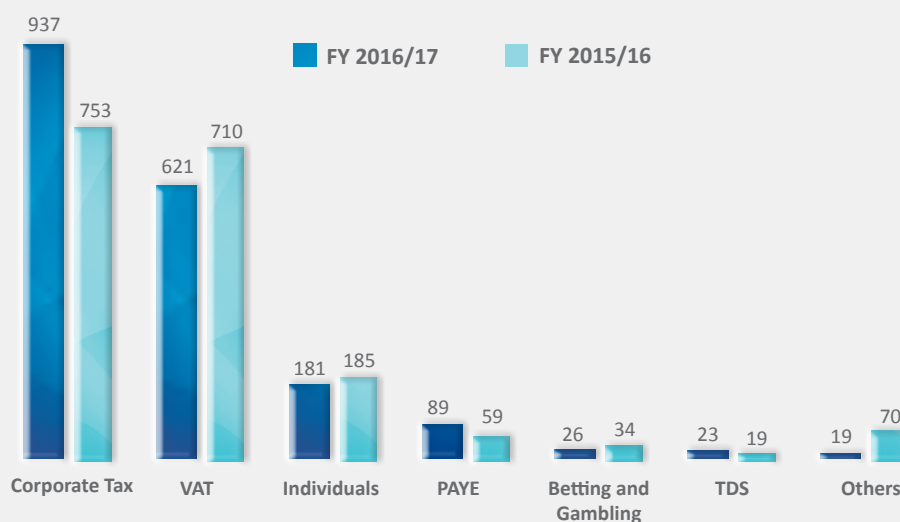
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Chart 13: Arrears collection - FY 2015/16 and FY 2016/17 (Rs M)



Out of the Rs 1.896m arrears recovered, Rs 937m and Rs 621m were in relation to collectible debt portfolio for corporate tax and VAT respectively. Together, these two taxes represented 82% of the arrears collection in FY 2016/17 as opposed to 80% in the corresponding previous year. The increase in arrears collection was on account of higher collection registered in corporate tax arrears from Rs 753m in FY 2015/16 to Rs 937m in FY 2016/17.

Chart 14: Arrears collection by tax types (Rs M)



7.7.2. Collectible Debt

Collectible debt is the total amount of tax that has remained unpaid at the end of a fiscal year and which is not in dispute by the taxpayer. Our stock of collectible tax debt stood at Rs 7,380m at end of FY 2016/17. This was Rs 1,531m or 26% higher than the collectible debt of Rs 5,849m in FY 2015/16. This is mostly attributable to the increase by 29% in debt available for collection from VAT registered taxpayers and corporate bodies.

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Chart 15: Collectible debt at 30 June 2016 (Rs M)

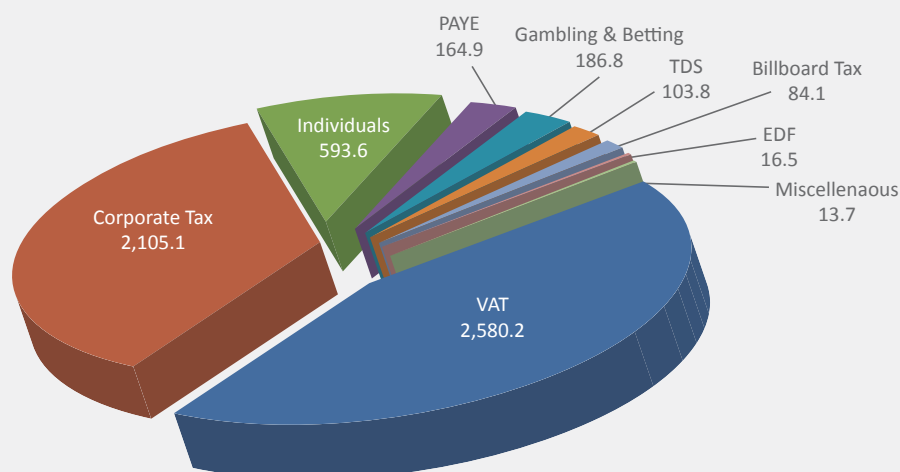
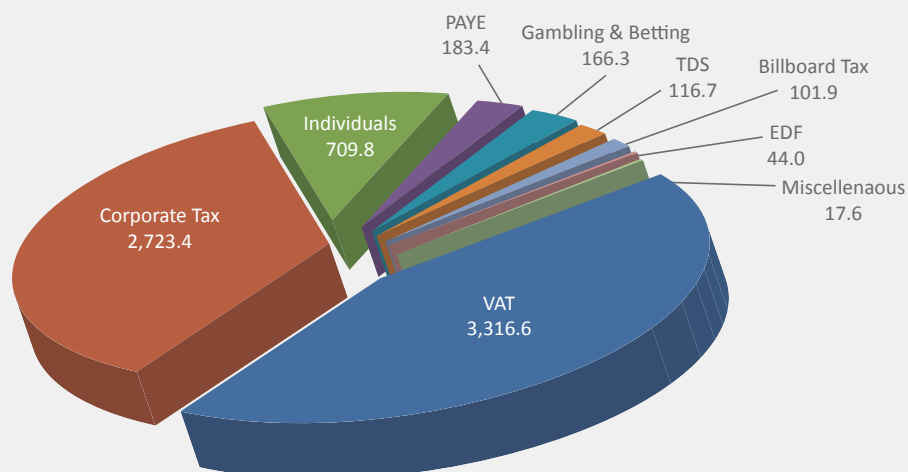


Chart 16: Collectible debt at 30 June 2017 (Rs M)



7.7.3. Undisputed tax debt to revenue collection ratio

The ratio of collectible arrears to revenue collection ratio is often used to gauge the efficiency of debt recovery in a Revenue Administration. This indicator has increased from 8.4% in 2015/16 to 9.7% in 2016/17.

Table 35: Ratios of collectible debt to total collections – FY 2015/16 and FY 2016/17

Details	FY 2015/16	FY 2016/17
Collectible debt at end of June (Rs m)	5,849	7,380
Total tax collections (Rs m)	70,022	75,706
Debt collection efficiency ratio	8.4%	9.7%

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7.7.4. Age of collectible tax debt

Table 36 exhibits the collectible debt broken by length of time. Revenue administration experience shows that the older a debt is, the more difficult it becomes to collect. At the end of FY 2016/17, debt more than 12 months old amounted to Rs 5,536m, i.e., 75% of the total collectible debt. On a tax type basis, the VAT represented the ones with the largest amount due for more than 1 year old.

Table 36: Age of collectible debt as at end June 2017												
Length of time	Individuals		Corporate		VAT		PAYE		TDS		Others	
	Number of debtors	Amount (Rs m)	Number of debtors	Amount (Rs m)	Number of debtors	Amount (Rs m)	Number of debtors	Amount (Rs)	Number of debtors	Amount (Rs)	Number of debtors	Amount (Rs)
Less than 3 months	371	96.0	965	279.9	1,533	317.6	183	9.9	234	3.5	180	14.9
3 to 6 months	589	11.2	1,121	142.5	1,180	132.3	537	14.9	417	5.5	308	14.8
6 to 12 months	1,627	69.2	1,722	346.2	1,526	318.1	961	41.4	944	11.7	233	12.4
More than 12 months	15,004	533.4	9,798	1,954.6	7,708	2,546.10	3,636	117.1	3,734	95.9	1,014	288.6
Total	17,591	709.8	13,606	2,723.2	11,947	3,314.1	5,317	183.3	5,329	116.6	1,735	330.7

7.8. INTERNATIONAL TAXATION

The International Taxation Section located within the Large Taxpayers Department is vested with the responsibility of dealing with all international taxation issues including tax treaty negotiations, exchange of information, discussions with international agencies (OECD, EU, etc.) and issue Tax Residence Certificates as well as reply to queries on tax issues from non-residents in Mauritius.

7.8.1. Exchange of Information

Exchange of information (EOI) represents a valuable tool in the hands of administrators to enhance tax transparency and combat cross-border tax evasion. Exchange of information by the International Taxation Section is made either under bilateral tax treaty (DTA) or Tax Information Exchange Agreement (TIEA). Table 37 recaps the number of information exchange from the year 2015 to FY 2016/17.

Table 37: Trend in number of information exchange				
Details		Year 2015	January-June 2016	FY 2016/17
Request for information received from treaty countries	Number	196	124	184
	Countries	Belgium, China, France, India, Sweden, Uganda, United Kingdom and Zimbabwe	India, United Kingdom, France, Seychelles and Zimbabwe	India, United Kingdom, France, Kazakhstan, Lesotho, United States, Madagascar, Uganda, Belgium, Luxembourg, China and Italy
Request for information made by MRA to treaty countries	Number	4	3	16
	Countries	France, India, Italy and United Kingdom	France and British Virgin Islands	France and India

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On 2 June 2016 the TIEA with Faroe Island entered into force while during the FY 2016/17 another similar agreement was signed with Korea.

7.8.2. Automatic Exchange of Information (AEOI) – OECD Common Reporting Standard (CRS)

Mauritius signed the Multilateral Competent Authority Agreement (MCAA) and the Convention on Mutual Administrative Assistance in Tax Matters (MAC) in October 2014 and June 2015 respectively. There is, thus, now a commitment to exchange information on financial accounts and assets held by non-residents on an automatic basis with jurisdictions party to the Convention by September 2018.

During the year 2016-2017 the legislative framework for AEOI was put in place through the passing of CRS Regulations. There were also several interactive workshops conducted by officers of the MRA's CRS Unit for the benefit of our stakeholders and to provide them with a good overview of the CRS Guidance Notes issued by the MRA.

7.8.3. Double Taxation Agreements (DTAs)

To minimize the incidence of double taxation as well as further facilitate the movement of trade and investment between Mauritius and the rest of the world, the MRA's International Taxation Section was engaged in bilateral discussions to extend our tax treaty network over the period January 2016 to June 2017. During the FY 2016/17, 3 DTAs were signed with Jersey, Ghana and Cape Verde. In addition, there were negotiations held with Malawi, Gambia, Mali and Zambia.

Table 38: Status of DTAs and TIEAs				
Details	30 June 2016		30 June 2017	
	DTAs	TIEAs	DTAs	TIEAs
In force	43	9	43	9
Signed & Awaiting ratification	5	1	8	2
Await signature	2	-	4	-
Being negotiated	17	-	19	-

7.8.4. Tax Residence Certificate (TRC)

A person who wishes to be certified as resident in Mauritius in respect of an income year must apply for a TRC. The MRA issues TRC to global business companies on the recommendations of the Financial Services Commission and subject to the person paying the prescribed fee. During the period January-June 2016 and in the FY 2016/17, the MRA issued 3,912 and 7,635 TRCs respectively.

7.8.5. Peer Review of Mauritius-EOIR

Mauritius underwent a Peer Review for the implementation of the international standard of exchange of information on request (EOIR) by the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum). The EOIR evaluation was based on the 2016 Terms of Reference. In September 2016, the MRA completed the Peer Review questionnaire which was subsequently forwarded to the Secretariat along with new relevant legislations, regulations and other supporting documents. A team comprising two expert assessors and a representative of the

Monitoring Tax Compliance: Initiatives and Outcomes

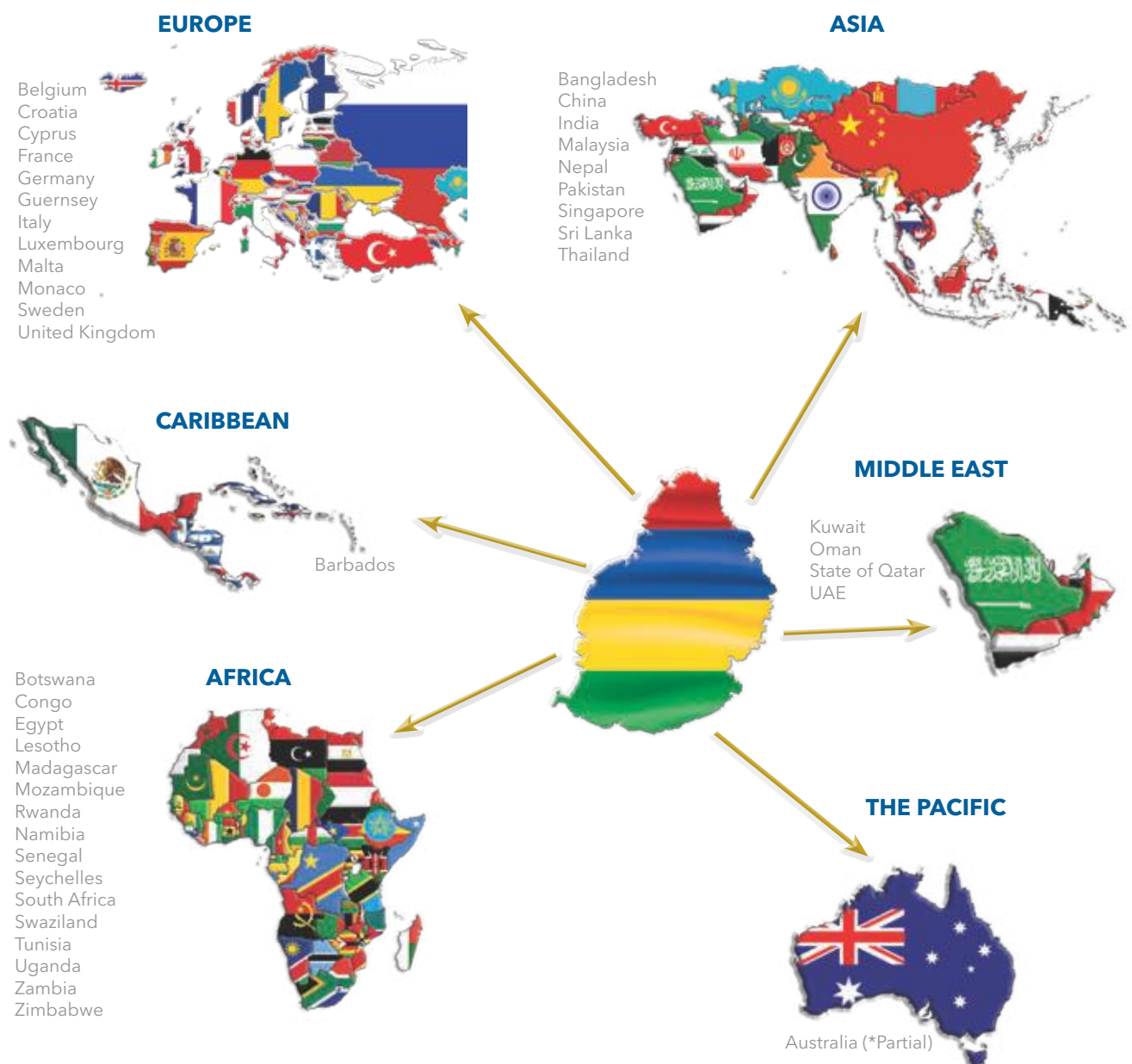
Global Forum Secretariat were on-site visit in October 2016 and the MRA replied to a series of follow up questions prior to the draft Report being discussed and approved during the Peer Review Group Meeting from 17-21 July 2017 in Geneva. Following this meeting Mauritius has been rated as Compliant by the OECD Global Forum.

7.8.6. Country by Country Reporting (CbCR)

As part of the OECD Base Erosion and Profit Shifting (BEPS) Project and in enhancing transparency, Mauritius signed the CbC Multilateral Competent Authority Agreement in January 2017 to enable us to exchange CbC reports for the fiscal year starting 1 July 2018 onwards.

The CbC reports will be exchanged on an automatic basis and during the year 2016-2017, work was carried out in establishing the necessary domestic legal framework for CbC reporting. In this context, the CbCR Regulations were in the process of finalization in the FY 2016/17.

Mauritius Tax Treaty network



A NEW ERA IN CUSTOMS



8.

FACILITATING TRADE
AND SECURING OUR
BORDERS

Facilitating trade and securing our borders

"Carefully examined, not only with the most scrupulous, but with the most suspicious attention."
— Adam Smith

It is often being said that trade facilitation and border security are two sides of the same coin. On one hand, improvements in trade facilitation are primordial as, according to the International Chamber of Commerce (ICC)¹, they can boost the world economy by \$1 trillion annually and result in job gains of 21 million globally. On the other hand, the issue of safety and security of global trade has become critical in the wake of ever-increasing transnational crime and terrorist attacks. Therefore, Customs has that arduous task of striking a fine balance between these two key objectives which are commonly referred to as facilitation and control.

8.1. TRADE FACILITATION

The MRA Customs has implemented a series of projects and initiatives with the intent of rendering trade hassle-free and free-flow. During these 18 months under review, the following projects/initiatives were implemented by the MRA Customs.

8.1.1. Automatic clearance of Customs Declarations relating to direct transshipment

The automatic clearance time relating to direct transshipment was previously 1 hour. During the period under review, the MRA Customs has worked towards improving this target and it has been successfully reduced to only 30 minutes. This initiative shall no doubt help in expediting transshipment process and further reducing the cost for the shipping lines as well as the trading community. The 30 minutes direct transshipment clearance time is in line with international best practices as advocated by the WCO trade facilitation benchmark.

8.1.2. Deferred Payment Scheme extended to Manufacturers of Excisable Goods

In July 2015, the Deferred Payment Scheme was introduced for SMEs and VAT Registered persons to enable them to clear their goods and effect payment of duty and taxes during the first week of the subsequent month. This trade facilitation measure has been extended during the period under review to those manufacturers of Excisable Goods. In order to help these manufacturers to take the full benefit of this incentive, sensitization campaigns have been carried out by the MRA Customs with the relevant stakeholders.

8.1.3. E-Auction Sales – Online Bidding Platform accessible 24/7

In the 2016 Finance Bill, the Customs Act was amended accordingly to cater for the e-auction sales system. That system became operational on 1st October 2016 and espouses the strategic goal of the MRA to provide digital services and facilities to taxpayers and stakeholders.

The main benefits of the MRA's e-auction sale system are as follows:-

- (a) democratisation of the auction sale system with anyone bidding for goods on display;
- (b) easier access to goods on auction without the need to be physically present;
- (c) accessibility on a 24/7 basis from the MRA website; and,
- (d) faster disposal of unclaimed, abandoned and seized goods in the most efficient manner.

¹ Evelyn M. Suarez (May 9, 2017) - <http://www.adamsmithproject.com/audiences-adam-smith/adam-smith-news-navigation/159.aspx>

Facilitating trade and securing our borders

During the period October 2016-June 2017, 15 auction sales were organised and they generated total revenue to the tune of Rs 42 million. The MRA Customs also provides 3 bidding booths with computer terminals at the Customs Warehouse for those who do not have access to internet facility.

8.1.4. Submission of cargo manifest

Since 1st December 2016, necessary amendments were brought to the Customs legislations to enable shipping agents to submit cargo information/manifests to the MRA Customs even before the arrival of the ship or aircraft. Such initiative has greatly benefitted all those operators involved in the supply chain relating to import/export/transshipment and also permitted MRA Customs to efficiently process the declaration on a risk-assessment basis.

8.1.5. E-Payment

Necessary changes were brought in the Customs Management System to enable the mandatory electronic payment of duty and taxes payable amounting to Rs 50,000 and above, effective as from 15 January 2017. This measure has further facilitated trade and slashed down the cost of doing business as the importers/exporters/declarants do not have to come to Customs to effect payments. Prior to 15 January 2017, the percentage of revenue collected electronically at Customs was only 39.06%. However, from 15 January 2017 to 28 June 2017, the percentage of revenue collected electronically at Customs rose to attain 87.99%.

8.2. BORDER SECURITY & REINFORCEMENT MEASURES

During the period under review, the MRA Customs has further reinforced its capacity with the firm intention of keeping our shores safe from narcotics and other hazardous products. The initiatives and key projects implemented are highlighted in the following section.

8.2.1. Setting up of the Customs Anti-Narcotics Section (CANS)

The setting up of the Customs Anti-Narcotics Section (CANS) in August 2016 was a landmark in the fight against the illicit entry of drugs in Mauritius. The CANS has a dedicated team of 69 officers who are posted at the Seaport, Airport, Parcel Post office and Courier services for the profiling and detection of high risk consignments, passengers and parcels on the basis of intelligence and risk indicators. The CANS comprised of 5 units:-

- (i) Info and intelligence Unit
- (ii) Seaport Operation Unit
- (iii) Airport Operation Unit
- (iv) K9 Dog Unit
- (v) Anti- Money Laundering Unit

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Mandate of the Customs Anti-Narcotics Section (CANS)	
<ul style="list-style-type: none"> • Profiling and checking of high risk passengers for drugs • Scrutiny of manifests and examination of high risk cargo and courier consignments • Carry out patrols and random checks of vehicles in the port and airport exiting from restricted zone • View CCTV network at port and airport for profiling and targeting suspects, identify vehicles for checking • Participate in WCO coordinated drug and money laundering international operations • Liaise with other enforcement bodies and FIU for sharing of information • Participate in coordinated operations conducted by international organisations 	<ul style="list-style-type: none"> • Carry out checks on cash couriers for suspicious transactions • Search of aircrafts and vessels • Use of non-intrusive inspection equipment to detect concealments of contrabands • Participate jointly with ADSU in controlled deliveries for arresting suspects, collection of information and intelligence on drug trafficking for enquiry purposes • Carry out intelligence work and issue alerts for the operational drug teams • Participate in joint operation with other enforcement bodies

8.2.2. The launching of the “Stop Drug Platform”

With a view to seek the active participation of the population in the fight against illicit trafficking of drugs and narcotics, the MRA Customs launched the “Stop Drug Platform” in June 2016. Through this initiative, the public are encouraged to share in total anonymity relevant information on drug trafficking through:-

- the Stop Drug Platform on MRA’s website (www.mra.mu),
- email (stopdrugs@mra.mu) or
- Free Call (**8958**)

All information shared on this platform is used by the MRA Customs to conduct in-depth analysis and intelligence works in its quest of tracking the wrong-doers.



Facilitating trade and securing our borders

8.2.3. Reinforcement of the 24/7 surveillance patrol to cover different Port areas

The 24/7 port surveillance patrol has been reinforced and there are two teams which carry out round-the-clock surveillance of all wharfs and quays. The port areas covered by the surveillance patrol team include:

• Chantier Naval de l'Océan Indien (CNOI)	• Oil Jetty
• West Quay	• CEB Gate
• Taylor Smith	• Peninsula 1 and Peninsula 2
• C. Decotter Cruise Jetty	• All CFS Stations
• Freeport Zones	

Such operations have no doubt acted as a deterrent and enhanced our border supervision.

8.2.4. All Exits in Port Area are fully manned by Customs

Following the recommendations made by the Port Security Committee, a working agreement was collectively reached between the Police, MPA, CHCL Ltd and MRA Customs on the manner to effectively reinforce security of sensitive border points identified in the port areas. Therefore, all these identified cross border points are currently being manned by the MRA Customs supported by:-

- 2 mobile teams on a 24/7 basis
- Joint patrol by MPA, Police and Customs
- CCTV surveillance by Customs on a 24/7 basis.

8.2.5. Enhancement of CCTV project

Prior to 2016, MRA Customs had a CCTV Room with 5 cameras of its own and 27 additional cameras for MPA/CHCL with real time viewing over a 24/7 basis. During the year under review, necessary actions towards the enhancement of CCTV system have already been initiated, with the installation of some 100 cameras in highly risk-prone areas of the Port. All examination bays will be covered by the CCTV system. The CCTV Project shall also cater for live communication with the examining officers, enabling supervising control from the CCTV room.

8.2.6. Security checking of staff/vehicles at the Airport

The airfield exit gates at the airport were identified as high risk zone by the MRA Customs. In consultation with the Airport of Mauritius Limited (AML), the MRA Customs has been allocated the necessary amenities and logistics support to exert control as and when required. Since February 2017, the control post has become operational and officers are regularly posted for the control of vehicles/persons exiting the airfield. For the period February-June 2017, some 379 control operations on persons/vehicles have been carried out by the MRA Customs. Besides, the MRA Customs also carries out random checks of vehicles and persons exiting the Airport airside and the YU lounge (Private Jet terminals at Airport) area. These checks are usually carried out at irregular hours. Occasionally blitz operations are set up to check all exits.

8.2.7. Mobile low bed mobile scanner for freight stations

In line with our on-going reform and modernisation programme, the MRA Customs has procured a mobile low bed scanner to be used at different freight stations where cargo is unstuffed from containers. The availability of this low-bed scanner allows the MRA Customs to inspect pallets and packages removed from containers prior to their delivery.

Facilitating trade and securing our borders

8.2.8. Implementation of weighbridge/container weighing device

In order to increase vigilance on suspicious consignments, the MRA Customs has procured an electronic weighbridge integrated in the scanner facility at the Port to capture container weights and same is linked to the Customs Management System to target risky consignments. The weighbridge being integrated in the control process chain allows Customs to capture the weight of the targeted containers prior to proceeding for their scanning or examination as the case may be, thereby providing a smooth container movement in the port area.

8.3. OUTCOMES OF THE ENFORCEMENT ACTIONS BY THE MRA CUSTOMS

The outcomes of the various enforcement actions conducted by the MRA Customs are enumerated in the following section.

8.3.1. Narcotics seizures

The MRA Customs is mandated, as a border control agency, to fight against drug trafficking, smuggling and other illicit trans-border crimes. The narcotics seizures made during these 18 months are shown in Table 39.

Table 39: Narcotics seizures				
Details	1 January 2016 – 30 June 2016		1 July 2016 – 30 June 2017	
	Weight / Qty	Value (Rs)	Weight / Qty	Value (Rs)
Heroin	6,092.86 g	91,402,050	178,169.68 g	2,672,295,200
Hashish	19.19 g	50,290	3,204.95 g	8,011,567
Cannabis	2,590.83 g	1,553,211	50,610.23 g	30,364,982
Cannabis Seeds	500	50,000	111	11,100
Psychotropic Substances	-	-	3,554 tabs	515,100
Synthetic Cannabinoids	66.40 g	72,870	2,099.60 g	3,439,650
Cocaine			1,280 g	19,200,000
Methamphetamine			1,100 g	-
Total		93,128,421		2,733,837,599

In contrast to the prior years, narcotics seizures made by the MRA Customs have known an unprecedented increase, including a record seizure made of 157 kilograms of heroin concealed in 3 consignments of sand blasters exported from South Africa. The first 5 months of 2017 has also been a very active period with regards to drug seizures. During this period, 34 seizures of illicit products amounting to Rs. 2.6 billion were effected. If during the previous years, the source country of drugs coming to Mauritius was mainly Madagascar, a change was noted in 2017 where several seizures were consigned from South Africa. An analysis of the recent drug seizures also depict the emergence of a new illicit product – namely the Mephedrone – which originates from China and which is routed mainly through courier services. It is a synthetic drug and it is often manifested as pigments or titanium oxide.

8.3.2. Seizures made by the K9 Unit

The K9 unit was set up in 2004 with the procurement of three (3) Sniffer Dogs from France and was expanded with the procurement of additional dogs from South Africa in 2010. Presently, this unit is

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composed of 8 dogs which are imprinted to detect narcotics. These dogs are also being trained to detect currencies (Dollar, Euro and Yuan). Table 40 highlights the performance of the K9 unit during 2016 and part of 2017.

Table 40: K9 Unit – Sniffer Dog Section: Seizures made by each sniffer dog								
Name of Dog	1 January 2016 – 30 June 2016				1 July 2016 – 30 June 2017			
	Drug Type	Num. of seizures	Weight (grams)	Street Value (Rs.)	Drug Type	Num. of seizures	Weight (grams)	Street Value (Rs.)
Max	Heroin	2	1,290	19,350,000	Heroin	2	319.4	4,791,000
Milo	Heroin				Heroin	1 + 1 joint with Seuntjie	9,540	143,100,000
	Cannabis / Hashish				Cannabis	3	27,074.70	16,244,820
	Synthetics/Other				Ecstasy	1	10 Tabs	15,000
Seuntjie	Heroin	2	1,500.67	22,510,050	Heroin	2+2 Joint Case Milo / Cassidy	30,253.27	453,799,050
	Cannabis / Hashish	1	1,600	960,000	Cannabis	1 Joint case Milo	6,680	4,008,000
	Synthetics / Other	1	27	20,000				
Milan	Heroin	1	559.39	8,400,000	Heroin	2	1996.05	29,940,750
	Cannabis / Hashish	1	515.24	309,144	Cannabis	3	152.95	91,770
	Synthetics / Other	-	-	-	Synthetics / Other	1	21.50	322,500
					Cannabis Seeds	1	14	1400
Cassidy	Heroin	1	678.80	10,182,000	Heroin	3 + 1 Joint case Seuntjie	25,694.61	385,419,150
	Cannabis / Hashish	-	-	-	Cannabis	1	16,250	9,750,000
	Synthetics / Other	-	-	-	Hashish	3	2,851.45	7,128,825
					Ecstasy	1	32 Tabs	48,000
					Synthetic	2	1,068.10	1,602,150
Zeus	Heroin	-	-	-	Heroin	1	1,670	25,050,000
	Cannabis / Hashish	-	-	-	Cannabis Seeds	1	42	4,200
	Synthetics / Other	-	-	-	Synthetic	1	1,010	1,515,000

8.3.3. Other contraband and seizures cases

The role of the MRA Customs is not only confined to drugs and narcotics seizures but to also promptly act to secure our borders from other illicit activities. These are enumerated in Table 41.

Facilitating trade and securing our borders

Table 41: Other Contraband / seizures for non-compliance

Details	1 January 2016 – 30 June 2016		1 July 2016 – 30 June 2017	
	Weight / Qty / Amount	Value (Rs)	Weight / Qty / Amount	Value (Rs)
Currency – Undeclared	26	17,263,313	43	43,987,594
Currency – Falsely declared	-	-	2	9,763,020
IPR seizures	12	678,645	42	506,111
Alcoholic Beverages	1	1,900	-	-
Cigarettes	16	43,200	16	141,802
Offensive weapons	1	4,350	3	5,848
Roll your own cigarette paper	79	28,506	159	434,674
Others (laser pens / pointers; prohibited creams / cleanser, toy gun with projectiles; etc.)	94	910,215	209	652,667

8.3.4. Excise enforcement actions

All alcoholic beverages and cigarettes which are sold locally should imperatively have an MRA excise stamp affixed. The enforcement team has uncovered cases of malpractices through the conduct of regular visits and checks. The outcome is shown in Table 42.

Table 42: Excise stamps – offences detected for non-compliance

Breaches or Offences	1 January 2016 – 30 June 2016		1 July 2016 – 30 June 2017	
	Number of cases	Amount involved (Rs)	Number of cases	Amount involved (Rs)
Cigarettes	-	-	1	12,828
Alcoholic products	1	40,000	3	40,000

8.3.5. Containers/consignments scanned

The MRA Customs has been using the x-ray scanners in the most efficient manner to combat smuggling while at the same time expediting cargo clearance time. The outcome is shown in Table 43.

Table 43: Containers/Consignments scanned

Details	1 January 2016 – 30 June 2016		1 July 2016 – 30 June 2017	
	Port	Airport	Port	Airport
Number of containers / consignments x-rayed	11,434	151,484	26,225	347,691
Number of suspect containers/consignments	106	2,076	430	6,663
Number of offences detected	23	873	82	1,052
Duties and taxes collected from the offences detected (Rs)	204,673	1,028,771	293,787	1,043,926

8.3.6. Post-Control and Clearance Audits

In line with international best practices, the MRA Customs is now laying more emphasis on post-release controls. The performance of the PCCAs is shown in Table 44.

Facilitating trade and securing our borders

Table 44: Post Control and Clearance Audits (PCCAs)

Details	1 January 2016 – 30 June 2016	1 July 2016 – 30 June 2017
Number of audits conducted by PCCA	39	104
Revenue Assessed by PCCA (Rs)	4,245,103	17,339,181
Revenue Collected by PCCA (Rs)	3,875,919	9,418,609
Revenue Collected by PCRD* (Rs)	1,697,179	13,223,289

* PCRD – Post Clearance Review of Declaration

8.3.7. Duties, taxes and penalties from CORs

The duties, taxes and penalties raised through the Customs Offences detected by the MRA Customs are shown in Table 45.

Table 45: Duties, Taxes and Penalties from Customs Offence Reports (CORs)

Details	1 January 2016 – 30 June 2016	1 July 2016 – 30 June 2017
Number of CORs raised	253	520
Assessed duties and taxes (Rs)	377,010	6,971,186
Assessed penalties (Rs)	1,220,318	3,661,030
Duties and Taxes collected from CORs (Rs)	383,599	2,733,032
Penalties collected (including Interest) (Rs)	2,725,665	7,081,486

8.3.8. Duties, taxes and penalties from claims

The amount of duties, taxes and penalties resulting from claims are shown in Table 46.

Table 46: Duty, Excise Duty and Taxes, Penalty and Interest from Claims

Details	1 January 2016 – 30 June 2016	1 July 2016 – 30 June 2017
Number of Claims raised	307	1,043
Assessed duties and taxes (Rs)	47,716,260	234,882,262
Assessed penalties (Rs)	3,636,742	40,083,790
Assessed Interest (Rs)	382	22,138,059
Total Amount Assessed (Rs)	51,353,691	297,104,111
Duties and Taxes collected from Claims (Rs)	37,690,329	90,980,166
Penalties collected (Rs)	1,396,870	2,771,281
Interest Collected (Rs)	852,416	3,335,236
Total Amount Collected (Rs)	39,939,615	97,086,683

8.3.9. Auction sales

The MRA Customs conducts regular online auctions for all overlying, abandoned, unclaimed and uncleared goods. The outcome of these auctions is shown in Table 47.

Facilitating trade and securing our borders

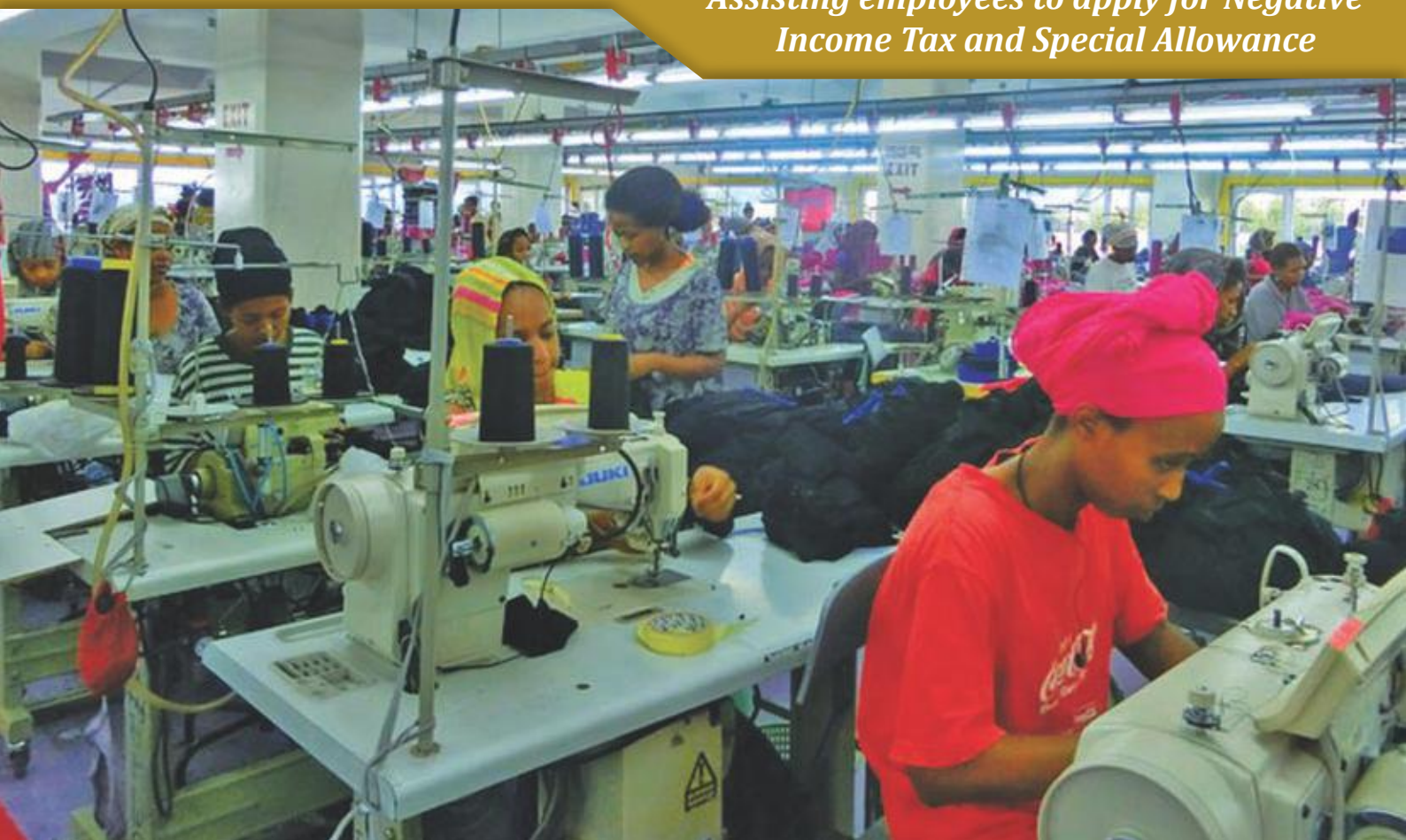
Table 47: Number and Type of Auctions Sales

No	Type of sale	Date started	Dated closed	Type of goods	Amount collected (Rs)
1	Sale By Public Tender	19/04/2016	26/04/2016	Prefabricated Buildings, Motor Vehicles, Clothing, Gym Equipment, Alcoholic Beverages and Other General Items	2,689,906
2	Sale By Public Tender	10/05/2016	13/05/2016	Prefabricated Buildings	1,706,500
3	Sale By Public Tender	14/06/2016	21/06/2016	Motor Vehicles, Clothing, Furniture, Spare Parts, Electronics, Jewelleries and Other General Items	3,238,233
4	Sale By Public Tender -E-Auction	11/10/2016	18/10/2016	Motor Vehicles, Clothing, Furniture, Spare Parts, Electronics, Jewelleries, Alcoholic Beverages and Other General Items	2,659,203
5	Sale By Public Tender -E-Auction	10/11/2016	17/11/2016	Motor Vehicles and Other General Goods	10,126,724
6	Sale By Public Tender -E-Auction	08/12/2016	13/12/2016	Motor Vehicles, Furniture, Electrical Equipment(TV, Food Processors, etc.) and Other General Goods	7,160,018
7	Sale By Public Tender -E-Auction	27/12/2016	Extended - 05/01/2017	Motor Vehicles and Television Sets	7,199,828
8	Sale By Public Tender -E-Auction	24/01/2017	31/01/2017	Motor Vehicles, Garments, Alcoholic Beverages, Kitchen Utensils and Others General Goods	1,282,123
9	Sale By Public Tender -E-Auction	07/03/2017	14/03/2017	Motor Vehicles and Alcoholic Beverages	1,768,508
10	Sale By Public Tender -E-Auction	21/03/2017	28/03/2017	Rubber Tyres for Lorries, Buses	1,329,781
11	Sale By Public Tender -E-Auction	28/03/2017	04/04/2017	General Goods, Spare Parts, Kitchen Utensils, Furniture Garments, Jewelleries and Other General Goods	624,983
12	Sale By Public Tender -E-Auction	12/04/2017	19/04/2017	Motor Vehicle(Motorcycle), Cement Mixing Machine, Alcoholic Beverages	438,214
13	Sale By Public Tender -E-Auction	26/04/2017	03/05/2017	Motor Vehicles	1,768,949
14	Sale By Public Tender -E-Auction	10/05/2017	Extended - 22/05/2017	Furniture, Garments, Spare Parts and Other General Goods	577,412
15	Sale By Public Tender -E-Auction	31/05/2017	07/06/2017	Furniture and Garments	715,066
16	Sale By Public Tender -E-Auction	14/06/2017	21/06/2017	Canned Foodstuff	485,362
17	Sale By Public Tender -E-Auction	21/06/2017	28/06/2017	Motor Vehicle (Daf Lorry) and Alcoholic Beverages	247,329

SUPPORT PAYMENT TO LOW INCOME EARNERS



*Assisting employees to apply for Negative
Income Tax and Special Allowance*



*Supplementing the Minimum Wage –
special allowances to low income earners*

9.

HUMAN RESOURCE MANAGEMENT

Human Resource Management

"One Machine Can Do The Work Of Fifty Ordinary Men. No Machine Can Do The Work Of One Extraordinary Man."
— **Elbert Hubbard**

Employees are the pillars of any organisation, and the MRA is no exception. The way employees are treated has a direct bearing on the organisation's overall performance and customer service delivery. Hence, the MRA attaches much importance to the workplace conditions, personal development, work/life balance, health and safety aspects and all such issues that need to be addressed to ensure a happy, healthy and motivated workforce.

9.1. HUMAN RESOURCE PROFILE

The MRA's human resources – as categorised in terms of its grading structure, age group and gender – are shown in the following section.

9.1.1. Establishment

The grading structure of the workforce for the 18 months ending 30 June 2017 is portrayed in Table 48.

Table 48: Human Resource Structure			
Grade	Job Title	In post as at	
		30 June 2016	30 June 2017
-	Director-General	1	1
7	Director	11	11
6	Assistant Director / Section Head	33	36
5	Team Leader	107	109
4	Technical Officer	257	269
3	Officer / Custom Officer II	422	488
2	Custom Officer I / Support Officer II	373	383
1	Support Officer I	229	171
	Total	1,433	1,468

The head count at the MRA as at 30th June 2017 was 1,468, representing 93% of the critical requirements of 1,580 staff.

9.1.2. Employee demographics by departments

The distribution of the staff members across all the departments forming part of the MRA is shown in Table 49.

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Table 49: Human Resource Distribution across Departments as at 30 June 2017

Departments	TOTAL	Director	Asst Director / Section Head	Team Leader	Technical Officer	Officer / Customs Officer II	Customs Officer I / Support Officer II	Support Officer I
Total staff in Compliance Departments	1,231	6	28	93	227	448	359	70
<i>Customs</i>	683	1	11	45	107	218	301	
<i>Large Taxpayers</i>	69	1	3	7	21	26	5	6
<i>Medium & Small Taxpayers</i>	203	1	6	20	37	116	15	8
<i>Operational Services</i>	159	1	4	9	14	53	29	49
<i>Fiscal Investigations</i>	56	1	2	5	15	23	3	7
<i>Objections, Appeals & Dispute Resolutions</i>	61	1	2	7	33	12	6	
Departments	TOTAL	Director-General / Director	Asst Director / Section Head	Team Leader	Technical Officer	Officer / Customs Officer II	Customs Officer I / Support Officer II	Support Officer I
Total staff in Support Departments	237	6	8	16	42	40	24	101
<i>Director-General's Office</i>	5	1				1	1	2
<i>Finance & Administration</i>	124	1	3	3	7	10	8	92
<i>Information Systems</i>	32	1	2	2	9	17	1	
<i>Legal Services</i>	4			2	1			1
<i>Human Resources & Training</i>	21	1	2	1	1	5	9	2
<i>Taxpayers Educations & Communication</i>	10		1		2	3	2	2
<i>Research Policy & Planning</i>	7			1	5			1
<i>Internal Audit Division</i>	18	1		4	8	4	1	
<i>Internal Affairs Division</i>	16	1		3	9		2	1
TOTAL	1,468	12	36	109	269	488	383	171

The compliance departments have the major share of staff allocation where 84% of total MRA staff employees were posted. Moreover, 47% of the total employees of the MRA were posted in the Customs Department.

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9.1.3. Age & gender profile

The age groups and gender profiles of the human resources are provided in Table 50.

Table 50: Age Distribution & Gender						
Age Group / Gender	As at 30 June 2016			As at 30 June 2017		
	Male	Female	Total	Male	Female	Total
Below 25	7	14	21	4	14	18
25 to below 35	211	256	467	204	270	474
35 to below 45	249	133	382	242	137	379
45 to below 55	188	79	267	196	93	289
55 and over	259	37	296	273	35	308
Total	914	519	1,433	919	549	1,468

The ratio of female to male staff, as at 30 June 2016, was 1:1.76 (i.e.; for every 100 females there were 176 males) but for the corresponding period of 2017, this ratio dropped to 1:1.67 (i.e.; for every 100 females there were 167 males), which means that the gender gap was narrowed accordingly.

During the year ending 30 June 2017, the MRA had the highest proportion of the staff members (32%) in the age group of 25 to 35 years. In contrast to the preceding years, it can be said that the MRA has started to rejuvenate its staffing structure with the recruitment of young and dynamic staff during these past recruitment exercises.

9.2. STAFF TURNOVER

9.2.1. Recruitment

The MRA has a very clear-cut recruitment and selection process in place to fill in any vacant post which arises within the organisation. Table 51 provides an insight of the number of advertisements issued, applications received, the number of candidates convened for a written assessment and interviews conducted during these 18 months period ending 30 June 2017.

Table 51: The recruitment and selection process		
Details	1 January 2016 – 30 June 2016 (i.e.; 6 months)	1 July 2016 – 30 June 2017 (i.e.; 12 months)
	Number	Number
Advertisements issued	3	4
Number of posts advertised	5	20
Applications received	676	6,070
Candidates convened for written examinations	216	-
Candidates convened for interview	799 (Includes for posts advertised prior to 01/01/2016)	118

For certain specific post, the potential candidates have to undergo a written assessment which is conducted under the supervision of the MRA. Table 52 provides more details on that particular exercise.

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Table 52: Written assessment conducted

Post	Date of written assessment	Number of applications received	Number of candidates convened
Customs Officer II	07 May 2016	292	216

During the 18-month period, a total of 366 posts were filled (both internally and externally) as further detailed in Table 53.

Table 53: Posts filled during the period 1 January 2016 to 30 June 2017

January 2016 – 30 June 2016 (i.e.; 6 months)					
Internal Recruits			External Recruits		
Posts	Grade	Number	Posts	Grade	Number
Director of Customs	7	1	Team Leader Internal Affairs	5	1
Section Head Customs	6	2	Technical Officer Internal Affairs	4	1
Section Head Compliance	6	3	Technical Officer Internal Audit	4	1
Team Leader Compliance	5	4	Assistant Systems Analyst	3	7
Team Leader Customs	5	11	Officer Graphic /Multi Media	3	1
Technical Officer Compliance	4	5	Trainee Customs Officer I	2	73
Technical Officer Customs	4	25	Part Time Health & Safety Officer	n/a	1
Technical Officer ISD	4	1			
Technical Officer Internal Affairs	4	1			
Technical Officer Internal Audit	4	1			
Officer Web	3	1			
Support Officer II	2	12			
Trainee Customs Officer I	2	10			
Total		77	Total		85
July 2016 – 30 June 2017 (i.e.; 12 months)					
Internal Recruits			External Recruits		
Posts	Grade	Number	Posts	Grade	Number
Section Head Customs	6	1	Principal Training Academy	6	1
Section Head Compliance	6	2	Assistant Director TECD	6	1
Assistant Director FAD	6	1	Legal Counsel	5	1
Team Leader Compliance	5	5	Technical Officer Internal Affairs	4	1
Team Leader Customs	5	6	Technical Finance Officer	4	4
Systems Analyst	4	3	Finance Officer	3	1
Technical Officer Compliance	4	6	Assistant Systems Analyst	3	3
Technical Officer Customs	4	12	Officer Internal Audit	3	3
Technical Officer Internal Audit	4	1	Support Officer I	1	47
Customs Officer II	3	70			
Officer Compliance	3	20			
Support Officer II	2	15			
Total		142	Total		62

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9.2.2. Retirements, resignations and termination of contracts

During the period 1 January 2016 to 30 June 2017, there were 16 staff members who retired from the service of the organisation, as provided in Table 54.

Table 54: Retirements during the period 1 January 2016 to 30 June 2017				
S/N	Employee	Department	Post Held	Retirement Date
1	NAZROO Shirin Bibi (Mrs)	Operational Services	Team Leader	17/1/2016
2	RAMDOWAR Baboo Maheswarsingh	Customs	Customs Officer II	24/1/2016
3	SINISKA Jean Yves	Customs	Team Leader	31/1/2016
4	SEETOHUL Lallane	TRMU / SMU	Technical Officer	9/3/2016
5	RAMDEEN Jayraz	Finance & Administration	Office Attendant / Messenger	14/3/2016
6	MADRON Antoine Roger Mario	Information Systems	Technical Officer	31/3/2016
7	BOODHOO Roshan	Customs	Customs Officer I	31/3/2016
8	VEERASAMY Alain Jasmin	Customs	Technical Officer	3/4/2016
9	MURDHEN Meganaden	Customs	Customs Officer II	26/5/2016
10	CHAUMOO Cateeya Issop (Mrs)	Objections & Appeals and Disputes Resolution	Technical Officer	27/5/2016
11	RAMSAMY Paramaseeven	Customs	Technical Officer	13/7/2016
12	SAUTRON Louis Gerard	Customs	Team Leader	4/9/2016
13	APPADOO Appanah	Customs	Technical Officer	18/11/2016
14	MONTEZUMA Marie Benjamine Monique (Mrs)	Medium & Small Taxpayer	Team Leader	23/3/2017
15	PURMARSSUR Damodar	Customs	Team Leader	20/5/2017
16	SOOPRAMANIEN Jacques Desire Laval	Objections & Appeals and Disputes Resolution	Technical Officer	20/6/2017

During these 18 months period, there were also:-

- 13 staff who submitted their resignations;
- 9 staff who retired from their permanent posts (i.e.; Team Leader) to take up fixed-contract term posts (i.e.; Section Head);
- 6 staff members who completed their contracts;
- 3 cases of dismissals; and,
- 4 staff members who passed away.

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The staff turnover ratio for the year 2016-17 was estimated at 0.76%, while in 2015 it was estimated at 0.44%.

9.3. STAFF DEVELOPMENT AND KNOWLEDGE MANAGEMENT

9.3.1. Training and development

The MRA lays much emphasis on staff development and knowledge sharing so as to ensure that the staff members have the right balance of both technical and behavioural competencies. In order to achieve this objective, various tailor-made training and development programmes have been implemented by the MRA over these past 18 months. These are highlighted in Table 55.

Table 55: Training and development programmes		
Training types	1 January 2016 – 30 June 2016 (i.e.; 6 months)	1 July 2016 – 30 June 2017 (i.e.; 12 months)
	Number	Number
Local Training	53	89
<i>In-House</i>	28	52
<i>External</i>	25	37
Overseas	53	103
<i>Meeting/Workshops/Training</i>	34	69
<i>Missions</i>	19	33
<i>Scholarships</i>	Nil	1
Total	106	192

The total training contact hours, as measured in terms of man-days, devoted to the training and development of staff were as follows:-

- January 2016 – June 2016 (i.e.; 6 months): 12,499
- July 2016 – June 2017 (i.e.; 12 months) : 17,077

Likewise, the amount allocated and spent on training and development programmes were as follows:-

Table 56: Training and development budget			
Period	Amount Allocated (Rs)	Amount Spent (Rs)	% Spent over allocated
January 2016 – June 2016 (i.e.; 6 months)	3,500,000	3,241,264	93%
July 2016 – June 2017 (i.e.; 12 months)	6,000,000	5,951,508	99%

9.3.2. Essay contest for the MRA Staff

The MRA staff members are one of the most important stakeholders of the organisation and they were given the opportunity to share their vision of the MRA in 10 years through an Essay Contest. The internal essay competition is another means of promoting a healthy contest amongst the MRA staff, whereby the competition refreshes and stimulates the knowledge of MRA staff.

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The winner of the MRA staff essay contest, Mr Rahim Domah, Internal Affairs Division, was awarded Rs 25,000 as cash prize.

9.4. MEDICAL & GROUP PERSONAL ACCIDENT INSURANCE SCHEMES

(i) Membership status of staff and their families to Medical Scheme

The Medical Insurance Scheme has been implemented for the benefit of staff and their dependents since November 2008. The scheme also caters for staff who retires from the service of the MRA. 70% of the monthly premium for employees is subsidised by the MRA. Various benefits (inpatient and outpatient) are available for all the members enrolled. Over the years, the number of subscribers has been on the rise from 970 in the Year 2008 to 1,313 in the Year 2017.

(ii) Group Personal Accident

The Group Personal Accident (GPA) Scheme provides insurance cover over a 24-hour basis, worldwide, to all MRA employees who are injured in an accident on duty as well as outside working hours. Death arising out of an accident is also covered. This scheme is an additional benefit/coverage for the benefit of staff.

9.5. EMPLOYMENT RELATIONS

9.5.1. Salary and conditions of service review exercise 2017

The services of BCA Consulting were enlisted to carry out the 2017 salary and conditions of service review exercise at the MRA. The terms of reference for the consultant were as follows:-

- To review the pay of the different grades at the MRA, considering the market competitiveness and other factors, as may be appropriate;
- To design and produce the revised salary scales and conversion tables;

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- To assess the financial implications of the proposed salary scales and conversion tables;
- To review such terms and conditions as may be put up by staff members and MRA; and,
- To make such recommendations to the Director-General of the MRA.

9.6. WELFARE ACTIVITIES

The MRA encourages its staff to participate in the various sports activities which are organised every year by the Fédération Mauricienne des Sports Corporatifs (FMSC) and by the MRA itself. The activities held and the outcomes thereof are shown in Table 57.

Table 57: Sport events			
Events	Date held	Number of MRA participants	Outcome
External - FMSC			
Football Premier League	April 2016 - August 2016	24	MRA ranked at 4 th place
Table Tennis Championship	17 April 2016	18	MRA won 1 Gold Medal & 3 Bronze Medals
Volley Ball Championship	May 2016 - June 2016	15	MRA ranked at 8 th place
Badminton Championship	16 & 17 July 2016	18	MRA won 3 Gold, 1 Silver & 6 Bronze Medals & Trophies
Pool Tournament	25 September 2016	4	MRA qualified up to 1/8 Final
Athletics Meet	04 & 06 November 2016	20	MRA won 8 Silver & 3 Bronze Medals & Trophies and ranked at 6 th place
Swimming Competition	17 November 2016	8	MRA won 9 Gold, 3 Silver & 2 Bronze Medals & Trophies
Table Tennis Championship	26 March 2017	11	MRA won 1 Gold & 6 Bronze Medals
Football Premier League	March 2017 - May 2017	24	MRA ranked at 5 th place
Volley Ball Championship	March 2017 - May 2017	15	MRA ranked at 6 th place
Internal activities			
Annual 7 A-Side Football Tournament	17 July 2016	150	Winners rewarded with medals & Trophies
Run for Fun	23 July 2016	100	Winners rewarded with medals
Annual Domino Tournament	10 December 2016	100	Winners rewarded with medals & Trophies

9.7. SAFETY AND HEALTH POLICY

Prevention is better than cure. A healthy worker operating in a safe environment is clearly more productive than another who cannot benefit from similar advantages. Some measures of the measures taken in the field of health and safety during these past 18 months were:-

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(i) Sensitization and awareness campaigns

Table 58: Sensitization and awareness campaigns	
Awareness Campaign	Date
Sensitization on the prevention of cancer	17 & 24 Feb 2016
Managing stress at Work	29 August 2016
Eye check-up for MRA Staff	22 October 2016
Briefing of Fire Wardens Eham Court	27 October 2016
Occupational Safety & Health Induction to new recruits	11 Dec 2016
Lift Safety Guidelines in all lift cages at Eham Court, Custom House and Belfort Tower	March 2017
Caravane de la Santé	14-23 March 2017
Communiqué on the use of unauthorised extension cords & electrical appliances	2 June 2017
Vaccination against Influenza	20 and 21 June 2017

(ii) Fire drills

Table 59: Fire drills	
Fire Drill	Date
Fire Drill at Custom House	16 March 2016
Fire Drill at Eham Court	16 Dec 2016
Fire Drill at Belfort Tower	18 November 2016
Fire Drill at Custom House	22 March 2017



Vaccination of MRA staff against the viral influenza

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(iii) First Aid and other facilities provided to the staff members

Table 60: First Aid and other facilities	
Period	First Aid and other facilities
January 2016 - June 2016	Staff working in outposts were provided with Personal Protective Equipment (PPE)
	Ergonomic chairs were provided to Customs Officers working in Custom outposts
	Processing of GPA accident claims
	Provision of Dosimeters to staff working in scanning units
	Medical Check-up for staff working in scanning units
July 2016 - June 2017	Staff working in outposts were provided with Personal Protective Equipment (PPE)
	Ergonomic chairs were provided to Customs Officers working in Custom outposts.
	Processing of GPA accident claims.
	Provision of Dosimeters to staff working in scanning units
	Medical Check-up for staff working in scanning units

9.8. OTHER INITIATIVES

During the period under review, a myriad of other initiatives in the field of training, knowledge sharing, employee feedback and employee welfare were conducted. They include the following:-

- Partnering with ATAF in mounting an Executive Masters course in Taxation (EMT) for African Speaking Countries – 1st cohort of 17 students
- Hosting of Meetings/Seminars/Workshops by the World Customs Organisation East and Southern Africa (WCO ESA) Regional Training Centre
- Access to WCO e-learning modules to all customs officers
- Conduct of an Employee Engagement / Satisfaction Survey
- Implementation of Mentoring Programme
- Implementation of Online Training (generic courses)
- Hosting of Meetings/Seminars/Workshops/Conference by the World Custom Organisation East and Southern Africa
- (WCO ESA) Regional Training Centre
- Invitation of eminent speakers for the sharing of knowledge with Management Team & Senior Staff
- Partnering with ATAF for a 2nd cohort of 15 students for an Executive Masters in Taxation
- Training of Dog Handlers
- Training of officers posted in the CANS in collaboration with the French Authorities
- Initiating of an Employee Assistance Programme
- Revision of Pension Benefits to MRA retirees
- Introduction of new shift system in PSEU Customs Department

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FMSC Swimming Competition



Annual Domino Tournament

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FMSC Athletics meet



Annual 7-A-Side Football Tournament

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FMSC Volleyball Competition



MRA wins the 8-a-side Football Tournament organised by the Air Mauritius Ltd.

10.

MAIN TAX CHANGES

Main Tax Changes

FINANCE ACT 2017

1. INCOME TAX

- Negative Income Tax

Mauritian citizen in full time employment with earnings of Rs 9,900 or less in a month to be granted financial support from Government, in the form of a negative income tax as follows:

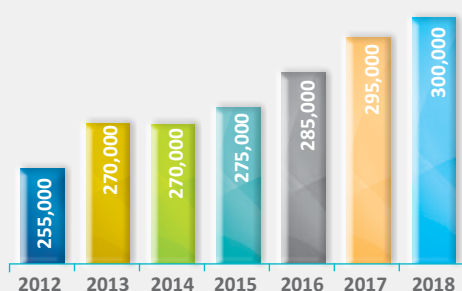
An individual deriving the following earnings in a month	Allowance (Rs)
Less or equal to Rs 5,000	1,000
Above Rs 5,000 but less or equal to Rs 7,000	800
Above Rs 7,000 but less or equal to Rs 9,000	500
Above Rs 9,000 but less or equal to Rs 9,750	250
Above Rs 9,750 but less or equal to Rs 9,900	100

The implementation of this measure has been brought forward by six months, that is, 1st July 2017 instead of 1st January 2018. The first payment made by the MRA will be effected in November 2017 in respect of the 3 months period July-September 2017.

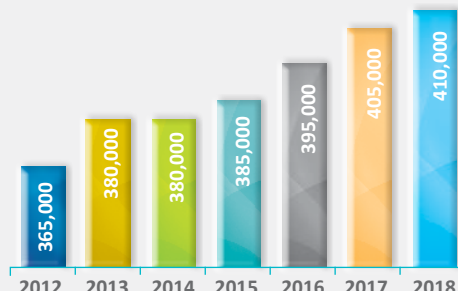
- Income Exemption Thresholds

The existing income exemption thresholds increased by amounts ranging from Rs 5,000 to Rs 15,000 as shown in illustrations below. In addition, a new income exemption threshold of Rs 550,000 has been introduced to cater for taxpayers having 4 or more dependents. The new thresholds are effective as from income year starting on 1st July 2017.

Category A - Individual with no dependent (Rs)



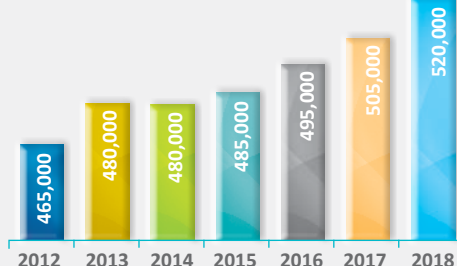
Category B - Individual with one dependent (Rs)



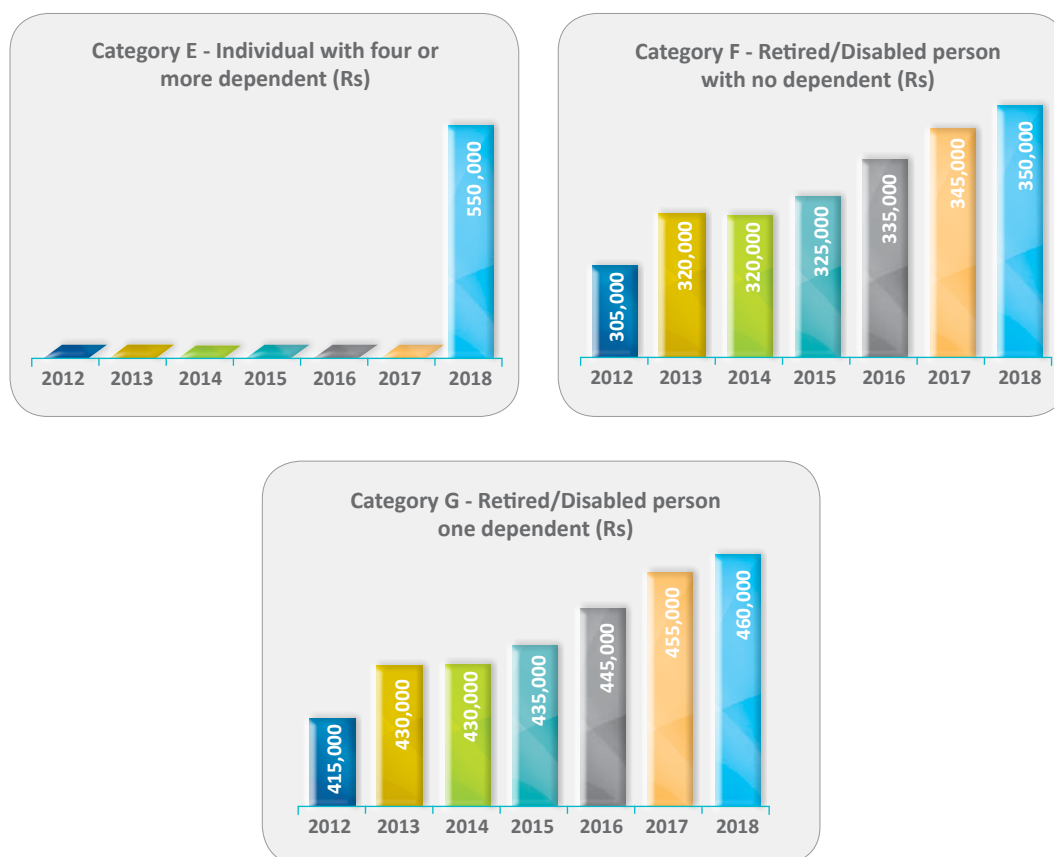
Category C - Individual with two dependents (Rs)



Category D - Individual with three dependents (Rs)



Main Tax Changes



- **Other Exemptions and Reliefs**

- ✓ **Deduction for Household Employees**

An individual to be allowed to deduct from his taxable income the wages paid during a year to his household employees up to a maximum of Rs 30,000, provided he is fully compliant regarding social security contributions in respect of his employees.

- ✓ **Relief for Medical/ Health Insurance Premium**

The maximum allowable deduction for medical or health insurance policies premiums raised as follows:

- (i) from Rs 12,000 to Rs 15,000 in respect of the taxpayer;
- (ii) from Rs 12,000 to Rs 15,000 in respect of the first dependent; and
- (iii) from Rs 6,000 to Rs 10,000 in respect for each of two additional dependents.

- ✓ **Exempt Income**

Exemption of the following income from Income Tax:

- (i) financial assistance provided by Government to disabled persons under the National Pensions Act such as the basic invalidity pension, carer's allowance and contributory invalidity pension; and,

Main Tax Changes

- (ii) Interest income derived by both individuals and corporates from debentures issued to finance renewable energy projects ("Green Bonds") which have been granted tax-exempt status by the Director-General of the MRA.

✓ Mauritian Diaspora

The 10-year tax holiday on local source income that can be claimed by a person registered under the Mauritian Diaspora Scheme will be only in respect of the income he derives from the specific employment, business, trade, profession or investment for which he has become registered under the Scheme.

• Solidarity Levy

A resident individual having a chargeable income plus dividends in excess of Rs 3.5 million will be required to pay a Solidarity Levy equivalent to 5 percent of that excess.

• 3% Reduced Rate of Corporate Tax on Exports of Goods

A reduced corporate tax rate of 3% introduced for companies engaged in exportation of goods. The tax credit granted to those companies on investment in new plant and machinery will be prorated accordingly.

• Income Tax Holiday

An 8-year income tax holiday to be granted to company engaged in the:

- (i) manufacture of pharmaceutical products, medical devices and high tech products provided it is incorporated after 8th June 2017; and
- (ii) exploitation and use of Deep Ocean Water for providing air conditioning installations, facilities and services.

• Tax Incentives for Research and Development (R&D)

A company investing or spending on innovation, improvement or development of a process, product or service to be eligible to the following incentives:

- (i) accelerated depreciation of 50% in respect of capital expenditure incurred on R&D;
- (ii) a double deduction granted up to the income year 2021-2022 in respect of qualifying expenditure on R&D directly related to the entity's trade or business and provided the R&D is carried out in Mauritius.

• Administrative measures

✓ Annual Statement of Financial Transactions

Amendment of the Income Tax Act to empower MRA to request from banks, insurance companies and non-bank deposit taking institutions, an Annual Statement of Financial Transactions in cases where a transaction by any person (individual, company, société, trust or succession) exceeds Rs 500,000 or if the aggregate amount of deposit in an income year exceeds Rs 4 million. Money changers and foreign exchange dealers will also be under obligation to submit a Statement of Financial Transactions to the MRA.

Main Tax Changes

✓ Annual Statement of Dividends paid by companies

Obligation for companies to submit to the MRA a list of individuals who have been paid dividends in a year exceeding Rs 100,000.

✓ Tax Deduction at Source (TDS)

- (i) Royalty income derived by a Mauritian from an artistic or literary work not to be subjected to Tax Deduction at Source (TDS).
- (ii) A société or succession whose annual turnover does not exceed Rs 6 million will not be required to operate TDS.
- (iii) TDS of 15% to be withheld in lieu of PAYE if director fees are paid to the employer of a director instead of to the director himself.
- (iv) A company awarding contracts for construction works will be required to operate TDS irrespective of its level of turnover.

✓ Statement of Assets and Liabilities by High Net Worth Individuals

Individual deriving net income and exempt income exceeding 15 million rupees or owning assets the cost of which exceeds 50 million rupees in an income year to submit a statement of assets and liabilities in such form and manner as may be prescribed.

✓ Electronic filing of tax returns

Obligation for all companies to file their income tax returns and pay taxes electronically. Likewise, an employer will be required to submit a PAYE return and remit tax withheld electronically.

✓ Employees to provide National Identity Card Number

An employee will henceforth be required to provide his National Identity Card Number or his Non-Citizen's Identification Number to his employer thus eliminating the obligation for the latter to seek a Tax Account Number from MRA.

✓ Transitional provisions for definition of Residence with respect to Individuals

Following the tax year of 6 months from January to June 2015, the 270 days criterion used to determine tax residence reduced to 225 days for income years ending 30th June 2016 and 2017.

✓ Filing of income tax return on purchase of immovable

No need for a person to compulsorily file an income tax return if he has acquired a high value immovable property, a motor vehicle or pleasure craft.

✓ Application of withholding tax on pension and other emoluments

A person liable to income tax and deriving pension from a pension scheme or other emoluments may opt to receive his pension or "other emoluments" net of PAYE of 15%.

Main Tax Changes

✓ Tax Arrears Payment Scheme

The Tax Arrears Payment Scheme is being re-introduced with new terms and conditions so as to expedite collection of long outstanding arrears of tax. The scheme will apply to assessments raised or a tax return submitted before 1st July 2015.

✓ Expeditious Dispute Resolution of Tax Scheme

The Expeditious Dispute Resolution of Tax Scheme (EDRTS) re-introduced. It targets settlement of disputes of less than Rs 10 million by allowing the MRA to review the assessed amount including penalties claimed from a taxpayer

2. VALUE ADDED TAX

- The zero-rating of fees payable for examination of vehicles (fitness) under the Road Traffic Act extended by another year, that is, up to 30th June 2018;
- VAT and customs duty exemption granted on sterile water used for pre-operative, per-operative or postoperative cleaning of wound;
- The VAT Refund Scheme whereby a planter, breeder, apiculturist, fisherman or baker is refunded VAT paid on specified equipment extended to a tea cultivator;
- Under the Deferred Duty and Tax Scheme, Mauritians travelling overseas are allowed to purchase, free of taxes, articles from downtown duty-free shops subject to these not used for local consumption and delivery is made at the airport/seaport on the day of their departure.
- VAT removed on sanitary pads and tampons;
- Mandatory VAT registration for wholesale dealer in liquor and alcoholic produce;
- VAT on patrol and monitoring equipment made zero rated;
- Possibility for an aggrieved taxpayer to lodge an objection in respect of a VAT assessment through electronic means; and,
- New items added on the list of qualifying equipment under the VAT Refund Scheme; namely:-

Tea Cultivator	Planter	Pig Breeder	Other Breeder
<ul style="list-style-type: none"> • Hand-held plucking shear • Hand-held pruning machine • Motorised tea harvester 	<ul style="list-style-type: none"> • Sharion shade, green house and shade screen • Fertigation pump • Irrigation equipment • Hydroponic filter • Water tank 	<ul style="list-style-type: none"> • Farrowing / gestation / nursery crate • Heat lamp / hot blast • Incubator • Pig feeder / drinker • Cooling fan 	<ul style="list-style-type: none"> • Feed grinder • Ventilation fan • Chicken crate • Cages and coops • Water tank

Main Tax Changes

3. CUSTOMS DUTY

(a) Removal of Customs Duty

Customs duty is removed on the importation of –

- (i) all animal feed, except poultry feed and pet feed; and
- (ii) scaffolding, shuttering, propping or pit-propping equipment made of wood or plastics used by job contractors.

(b) Furniture

With a view to encouraging value added processing/assembly of furniture by local industries, customs duty exemption are granted on Knocked-Down furniture imported in the context of a Smart City project on the condition that a 20 percent local value addition is incorporated therein.

(c) Import by Post and Courier Services

Previously, the first Rs 2,000 of the value of an article imported by post and courier services is exempt from customs duty and VAT. Henceforth, this exemption is granted on the first Rs 3,000 of the value of an article imported by post and courier services.

(d) Motor vehicle purchased by Trade Union Confederation

A Trade Union Confederation is exempted from customs duty on the purchase of a 15-seater motor vehicle (van).

(e) Administrative measures

- (i) New definitions are being introduced in the Customs Act, based on the Revised Kyoto Convention (the blueprint for modern and efficient Customs procedures) namely in respect of: –
 - inward processing
 - outward processing
 - risk management
- (ii) Presently, an importer has a statutory time limit of 14 days from the date of validation of a Bill of Entry to pay the required duties and taxes. The Customs Act will provide for automatic cancellation of the Bill in case of failure to respect that time limit.
- (iii) In the context of the combat against money-laundering and illicit financial flows, especially in the wake of the recent drug seizures, MRA Customs is empowered to detain currency where a departing passenger has in his possession undeclared amount exceeding Rs 500,000. In addition, the penalty payable for non-declaration is being substantially increased.
- (iv) Similarly, MRA Customs is empowered to detain imports suspected to be counterfeit or misleading as to their geographical origin.
- (v) MRA is empowered to recoup from an importer who has abandoned his goods at Customs any costs incurred by the Authority in disposing or destroying them.
- (vi) The MRA has further streamlined its procedures with a view to facilitating trade without compromising on border control and society protection through –

Main Tax Changes

- clearance in case of goods not flagged under the customs risk management system and which do not require any agency clearance or have obtained prior agency clearance; and
- release and handing over of goods to a Government agency where the latter's clearance has not been obtained but Customs requirements are satisfied.

MRA Customs to maintain its prerogative to carry out inspections in suspicious cases and post-control audit.

- (vii) Provision is made to allow the Mauritius Revenue Authority to release goods expeditiously in case of emergency or for national security reasons.
- (viii) The Mauritius Ports Authority and Freight Forwarding Agents are henceforth required to submit the statement of cargo movement electronically instead of manually.
- (ix) As is the case under other revenue laws, the MRA has a time limit of 5 working days to issue its tax claim after a decision has been reached by the ARC on a tax liability dispute. The taxpayer will have to settle the said amount within 28 days of the notice.
- (x) An administrative penalty is introduced for offences relating to import of specified prohibited goods (other than illicit drugs and counterfeit goods).
- (xi) To avoid lengthy court procedures, upon payment of the penalty, the MRA may allow their re-exportation.
- (xii) During the process of affixing the required tax stamp on cigarettes or alcoholic products, there are inevitably a few tax stamps that are spoilt and cannot be recovered.
- (xiii) Accordingly, allowance of up to one percent for damaged is made in management of tax stamps.

4. EXCISE DUTY

(a) Alcoholic Products

Effective as from 9th June 2017, the following rates of excise duty on alcoholic products are applicable:

Main Tax Changes

Alcoholic Beverages	From	To
Beer (per litre)	Rs 37.70	Rs 39.60
Spirit cooler (per litre)	Rs 49.20	Rs 51.70
Fruit wine (per litre)	Rs 30.60	Rs 32.10
Made wine (per litre)	Rs 65.50	Rs 68.80
Wine of grapes (per litre)		
<i>In bulk for bottling purposes</i>	<i>Rs 105.30</i>	<i>Rs 110.60</i>
<i>In bottle</i>	<i>Rs 184.80</i>	<i>Rs 194.00</i>
Champagne (per litre)	Rs 880.00	Rs 924.00
Rum (per litre of absolute alcohol)	Rs 518.10	Rs 544.00
Cane spirits (per litre of absolute alcohol)	Rs 518.10	Rs 544.00
Whisky (per litre of absolute alcohol)		
<i>In bulk for bottling purposes</i>	<i>Rs 1,001.00</i>	<i>Rs 1,051.00</i>
<i>In bottle</i>	<i>Rs 1,600.50</i>	<i>Rs 1,680.00</i>
Liqueur (per litre of absolute alcohol)	Rs 352.00	Rs 369.60

(b) Tobacco Products

Effective as from 9th June 2017, the following rates of excise duty on tobacco products are applicable:

Tobacco Products	From	To
Cigars (per kg)	Rs 16,056	Rs 17,662
Cigarillos (per thousand)	Rs 9,375	Rs 10,313
Cigarettes (per thousand)	Rs 4,646	Rs 5,111

(c) Tea Growers

The duty exemption on purchase of a single/double space cabin vehicle is extended to a small tea grower.

(d). Motor Vehicles – Vintage cars

The Excise Regulations, the Road Traffic Regulations and the Consumer Protection Regulations are amended to change the definition of a “classic or vintage” motor car from “a motor car registered before 1st January 1970” to “a motor car aged at least 40 years”.

11.

FINANCIAL STATEMENTS

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BOARD'S REPORT

The Board of the Mauritius Revenue Authority presents the audited financial statements of the Mauritius Revenue Authority for the 18-month period ended 30 June 2017.

Statement of Board's responsibilities in respect of the financial statements

It is the responsibility of the MRA to prepare and submit an annual report which includes the financial statements to the MRA Board for approval. After approval by the MRA Board, the Chief Executive Officer shall, not later than 31 October after the end of every financial year, submit the annual report to the auditor. On receipt of the annual report including the audited financial statements and the audit report, the MRA Board shall, not later than one month from the date of receipt, furnish to the Minister such reports and financial statements.

The audited statements and audit opinion are appended to this report.

While approving the financial statements, the Board ensures that:

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures explained in the financial statements;
- The financial statements have been prepared on the going concern basis.

The Board confirms that they have complied with the above requirements.

MRA is responsible for keeping proper accounting records for the purpose of recording all the transactions relating to its undertakings, funds, activities and property and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the MRA Board

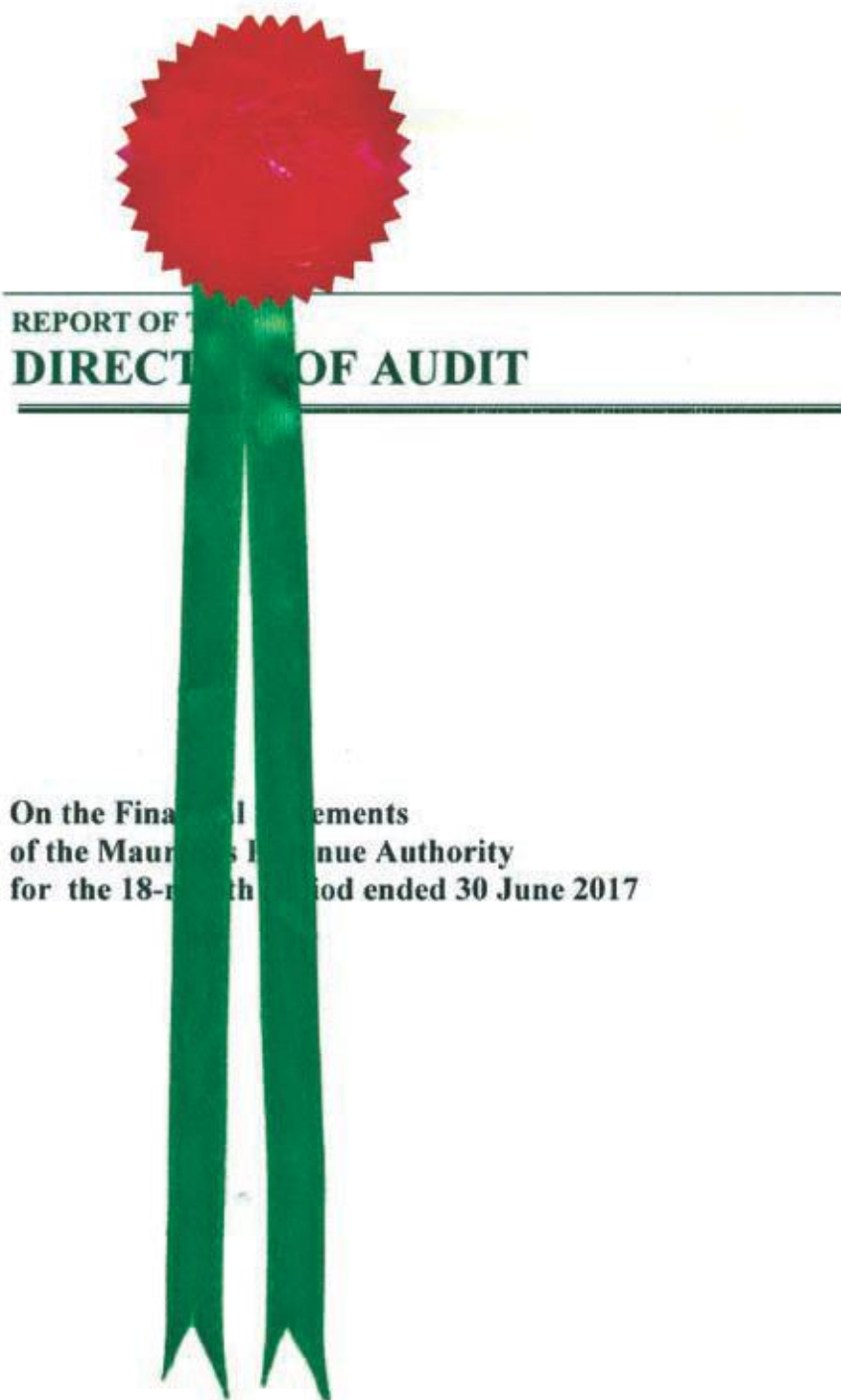


N. K. BALLAH, G.O.S.K

Chairperson

Financial Statements

REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE MAURITIUS REVENUE AUTHORITY



NATIONAL AUDIT OFFICE

Financial Statements



NATIONAL AUDIT OFFICE

**REPORT OF THE DIRECTOR OF AUDIT
TO THE BOARD OF THE
MAURITIUS REVENUE AUTHORITY**

Report on the Audit of the Financial Statements**Opinion**

I have audited the financial statements of the Mauritius Revenue Authority, which comprise the statement of financial position as at 30 June 2017 and the statement of financial performance, statement of changes in net assets/equity, cash flow statement and the statement of comparison of budget for the 18-month period then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Mauritius Revenue Authority as at 30 June 2017, and of its financial performance and its cash flows for the 18-month period then ended in accordance with International Public Sector Accounting Standards and in compliance with the Statutory Bodies (Accounts and Audit) Act.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Mauritius Revenue Authority in accordance with the Code of Ethics for Supreme Audit Institutions, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there is nothing to report in this regard.

Financial Statements

Other Information

Management is responsible for the other information. The other information comprises the information in the annual report of the Mauritius Revenue Authority for the 18-month period 1 January 2016 to 30 June 2017, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards and in compliance with requirements of the Statutory Bodies (Accounts and Audit) Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Mauritius Revenue Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Mauritius Revenue Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

Financial Statements

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mauritius Revenue Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Mauritius Revenue Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Mauritius Revenue Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

In my opinion, in all material respects:

- The Mauritius Revenue Authority has complied with the Act and any directions of Minister to whom its responsibility is assigned, in so far as they relate to the accounts;
- as far as could be ascertained from my examination of the financial statements submitted to me, expenditure incurred were not of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- the Mauritius Revenue Authority has been applying its resources and carrying out its operations fairly and economically.

Public Procurement Act

The Mauritius Revenue Authority is responsible for the planning and conduct of its procurement. It is also responsible for defining and choosing the appropriate method of procurement and contract type in accordance with the provisions of the Act and relevant Regulations. My responsibility is to report on whether the provisions of Part V of the Act regarding the Bidding Process have been complied with.

In my opinion, the provisions of Part V of the Act have been complied with as far as it appears from my examinations of the relevant records.



K.C. TSE YUET CHEONG (MRS)

Director of Audit
National Audit Office
Level 14
Air Mauritius Centre
PORT-LOUIS

30 April 2018

Financial Statements

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017

	Notes	30 JUNE 2017 Rs	31 DECEMBER 2015 Rs
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	58,319,529	66,329,325
Receivables	8	2,203,718	1,379,242
Inventories	9	12,484,481	14,990,259
Prepayments	8	21,522,293	10,282,633
Loan	10	10,894,518	-
		<u>105,424,539</u>	<u>92,981,459</u>
Non-Current Assets			
Deposit	11	8,000,000	8,000,000
Loan	10	51,725,954	-
Property, Plant and Equipment	5	590,553,398	460,330,652
Intangible Assets	6	72,275,999	35,747,290
		<u>722,555,351</u>	<u>504,077,942</u>
TOTAL ASSETS		827,979,890	597,059,401
LIABILITIES			
Current Liabilities			
Payables	12	35,616,499	61,797,059
Advance Receipts - Transfers	13	240,810	-
Advance	14	10,894,518	-
		<u>46,751,827</u>	<u>61,797,059</u>
Non-Current Liabilities			
Advance	14	51,725,954	-
Provisions	15	6,628,380	-
Employee Benefits	22	416,265,344	342,620,718
		<u>474,619,678</u>	<u>342,620,718</u>
TOTAL LIABILITIES		521,371,505	404,417,777
NET ASSETS		306,608,385	192,641,624
NET ASSETS/ EQUITY			
Revaluation Surplus	25	99,017,302	41,166,501
General Fund		207,591,083	151,475,123
TOTAL NET ASSETS/ EQUITY		306,608,385	192,641,624

Approved by the Board on 27 September 2017



Chairman



Board Member

The Notes on pages 130 to 148 form part of the financial statements.

Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE FOR THE 18 MONTHS ENDED 30 JUNE 2017

		18 MONTHS ENDED 30 JUNE 2017 Rs	YEAR ENDED 31 DECEMBER 2015 Rs
	Notes		
Revenue			
Non-Exchange Transactions	16	2,573,700,796	1,459,595,818
Exchange Transactions	17	1,705,846	3,216,840
		2,575,406,642	1,462,812,658
Expenditure			
Administrative Expenses	18	2,524,003,053	1,765,165,902
Finance Cost	19	6,734,064	4,299,123
		2,530,737,117	1,769,465,025
		44,669,525	(306,652,367)
Loss on Disposal /Scrap/write off	20	(203,565)	(16,690)
Surplus/(Deficit) for the period		44,465,960	(306,669,057)

STATEMENT OF CHANGES IN NET ASSETS / EQUITY FOR THE 18 MONTHS ENDED 30 JUNE 2017

	Revaluation Surplus Rs	General Fund Rs	Total Rs
Balance at 1 January 2015	28,962,946	456,370,075	485,333,021
Change in net assets/ equity for the period			
Transfer to Accumulated Surplus/(Deficit)	(1,774,105)	1,774,105	-
Revaluation Surplus for the period	13,977,660	-	13,977,660
Deficit for the period	-	(306,669,057)	(306,669,057)
Total recognised revenue and expense for the period	12,203,555	(304,894,952)	(292,691,397)
Balance at 31 December 2015	41,166,501	151,475,123	192,641,624
Balance at 1 January 2016	41,166,501	151,475,123	192,641,624
Change in net assets/ equity for the period			
Transfer to Accumulated Surplus/(Deficit)	(11,650,000)	11,650,000	-
Impairment Loss	(130,000)	-	(130,000)
Revaluation Surplus for the period	69,630,801	-	69,630,801
Surplus for the period	-	44,465,960	44,465,960
Total recognised revenue and expense for the period	57,850,801	56,115,960	113,966,761
Balance at 30 June 2017	99,017,302	207,591,083	306,608,385

Financial Statements

CASH FLOW STATEMENT FOR THE 18 MONTHS ENDED 30 JUNE 2017

	18 MONTHS ENDED 30 JUNE 2017 Rs	YEAR ENDED 31 DECEMBER 2015 Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit)	44,465,960	(306,669,057)
Adjustments for :		
Depreciation and Amortisation	118,503,738	76,763,546
Capital Grant Recognised in Surplus/Deficit	(226,520,136)	(34,077,488)
Capital Grant Received	226,760,946	30,471,318
Increase in Long Term Provision for Employee Benefits	73,644,626	241,342,946
Loss on Disposal/Scrap/Write-off	203,565	16,690
Liquidated Damages	(175,985)	(119,354)
Decrease in Inventories	2,505,778	1,033,836
Increase in Receivables	(12,064,136)	(2,561,755)
Decrease in Payables	(26,180,560)	(4,975,239)
Net Cash Flows from Operating Activities	201,143,796	1,225,443
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment (Note b)	(209,889,157)	(48,259,923)
Proceeds from Sale of Property, Plant and Equipment	735,565	1,446,902
Net Cash Flows from Investing Activities	(209,153,592)	(46,813,021)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan to Staff	(73,893,396)	-
Repayment of Loan by Staff	11,272,924	-
Advance Received	73,893,396	-
Repayment of Advance	(11,272,924)	-
Net Cash Flows from Financing Activities	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	(8,009,796)	(45,587,578)
Cash & Cash Equivalents at Start	66,329,325	111,916,903
Cash & Cash Equivalents at End (Note a)	58,319,529	66,329,325

Notes to the Cash flow Statement

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and balance with bank and comprise the following statement of financial position amounts.

	2017 Rs	2015 Rs
Cash at bank	58,222,778	66,257,201
Cash in hand	96,751	72,124
	58,319,529	66,329,325

(b) Property, Plant and Equipment

The aggregate cost of acquisitions was Rs 226,847,922 and includes:

- (i) Rs 10,154,400 for progress payment effected in 2014 in respect of a patrol boat;
- (ii) A provision of Rs 6,628,380 for dismantling costs of an x-ray scanner; and
- (iii) Rs 175,985 retained for liquidated damages.

Financial Statements

STATEMENT OF COMPARISON OF BUDGET FOR THE 18 MONTHS ENDED 30 JUNE 2017

RECURRENT BUDGET						
	Budgeted Amounts				Actual Amount	Difference:
	Original		Final			Final Budget and Actual
	Jan 16 to Jun 16 Rs	Jul 16 to Jun 17 Rs	Jan 16 to Jun 17 Rs	Jan 16 to Jun 17 Rs	Jan 16 to Jun 17 Rs	Rs
REVENUE	659,800,000	1,637,600,000	2,297,400,000	2,347,900,000	2,348,886,507	986,507
EXPENDITURE (excluding Depreciation & Amortisation)						
Staff Costs	553,000,000	1,376,300,000	1,929,300,000	1,967,600,000	1,960,467,817	7,132,183
Training of Staff	3,900,000	6,000,000	9,900,000	9,500,000	9,192,482	307,518
Board Members Fees and Expenses	1,200,000	2,400,000	3,600,000	3,600,000	3,535,000	65,000
Missions /Training Abroad	1,100,000	4,000,000	5,100,000	7,225,000	7,193,638	31,362
Professional Fees	2,400,000	7,000,000	9,400,000	15,800,000	15,760,313	39,687
Office Expenses & Services	12,700,000	46,300,000	59,000,000	66,700,000	66,676,853	23,147
Rent	20,600,000	41,200,000	61,800,000	62,700,000	61,232,958	1,467,042
Utilities	14,000,000	34,600,000	48,600,000	51,200,000	50,698,816	501,184
Motor Vehicles Expenses	10,200,000	16,100,000	26,300,000	24,300,000	23,116,281	1,183,719
Advertising and Publications	2,800,000	10,000,000	12,800,000	12,900,000	12,668,066	231,934
Materials, Supplies and Consumables	6,500,000	10,500,000	17,000,000	17,000,000	16,859,219	140,781
IT Expenses	19,200,000	51,600,000	70,800,000	65,400,000	58,628,957	6,771,043
Uniform	5,500,000	8,000,000	13,500,000	9,000,000	8,886,822	113,178
Conference	600,000	4,100,000	4,700,000	4,700,000	4,333,560	366,440
Contributions / Subscriptions	1,300,000	3,900,000	5,200,000	7,300,000	6,057,540	1,242,460
Service/Bank Charges	1,300,000	3,600,000	4,900,000	6,750,000	6,734,064	15,936
Tobacco & Alcohol Stamps	2,500,000	10,000,000	12,500,000	13,225,000	10,392,801	2,832,199
	658,800,000	1,635,600,000	2,294,400,000	2,344,900,000	2,322,435,187	22,464,813
Provision - Employee Benefits					75,401,612	(75,401,612)
Rental of Equipment					14,396,580	(14,396,580)
Total Expenses	658,800,000	1,635,600,000	2,294,400,000	2,344,900,000	2,412,233,379	(67,333,379)
Budgeted/ Actual Surplus/(Deficit)	1,000,000	2,000,000	3,000,000	3,000,000	(63,346,872)	(66,346,872)

CAPITAL BUDGET						
	Budgeted Amounts			Actual Amount		Difference:
	Original		Total Rs	Final		Final Budget and Actual
	Jan 16 to Jun 16 Rs	Jul 16 to Jun 17 Rs		As at 30 Jun 17 Rs	Jan 16 to Jun 17 Rs	Rs
Capital Expenditure	184,600,000	295,400,000	480,000,000	266,840,000	226,760,945	40,079,055

Material differences are explained at **Note 24**.

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

1. Principal Activities

The Mauritius Revenue Authority (MRA), a body corporate, was established on 20 October 2004 to serve the purpose described in the Mauritius Revenue Authority Act 2004. It commenced operations on 1 July 2006 acting as agent of the State for the collection of revenue under the revenue laws and for matters incidental thereto.

Reporting Period

In line with amendments brought to the Finance and Audit Act in March 2015 regarding change in Financial Year and to consequential amendments to the Statutory Bodies (Accounts and Audit) Act, the financial statements have been prepared for the 18 months ended 30 June 2017 with comparative information for the 12 months ended 31 December 2015. Hence the amounts presented in the financial statements may not be entirely comparable.

2. Adoption of International Public Sector Accounting Standards (IPSASs)

2.1 Standards Adopted

The Authority has adopted the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB) as from the year 2011 in line with amendments made in the Statutory Bodies (Accounts and Audit) Act.

2.2 Standards Issued but not yet Effective

At the date of authorisation of the financial statements, the following IPSASs were in issue but not yet effective:

IPSAS 39 - Employee Benefits

IPSAS 40 - Public Sector Combinations

IPSAS 39 will replace IPSAS 25 as from 1 January 2018 and has:

- (i) removed the corridor approach that is, the option that allowed an entity to defer the recognition of changes in the net defined benefit liability;
- (ii) introduced a net interest approach for defined benefit plans; and
- (iii) amended certain disclosure requirements for defined benefit plans.

It is expected that its application may have an adverse effect on net assets / equity in view of removal of the corridor approach.

IPSAS 40 will be effective as from 1 January 2019 and provides accounting requirements that addresses the needs of public sector when accounting for combinations of entities and operations.

This standard is not applicable to MRA and will therefore have no impact on the financial statements.

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

3. Accounting Policies

The principal accounting policies adopted by the Authority are as follows:

(a) Basis of Preparation

The financial statements comply with International Public Sector Accounting Standards (IPSASs) for the accrual basis of accounting. The measurement base applied is historical cost adjusted for revaluation of assets.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

(b) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and depreciation is calculated to write off the cost or valuation of tangible fixed assets less any estimated residual value on a straight-line basis over their expected useful lives. Depreciation is charged on a pro-rata basis in the year of acquisition and none in the year of disposal.

The annual rates of depreciation are as follows:

Building	1.45%
Computer Equipment	20%
Furniture & Fittings	10% - 12.50%
Scanners	12.50%
Vehicles	10% - 20%
Equipment	5% - 25%

Expenditure of a capital nature but costing less than Rs 5,000 is expensed to the statement of financial performance. However, bulk purchases of items costing less than Rs 5,000 per item are capitalised and fully depreciated in the year of acquisition.

In the year of revaluation, depreciation is calculated and charged on a pro-rata basis using date of revaluation as cut-off point. When an asset is revalued, the revalued amount net of any estimated residual value is depreciated over the asset's remaining useful life.

(c) Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses. Computer software costs are recognised as intangible assets and amortised using the straight-line method over their useful lives, not exceeding a period of 5 years.

(d) Revaluation of Property, Plant and Equipment

Property, plant and equipment are revalued by internal or external valuers every 3 to 5 years. Increase in carrying amount of a class of assets is credited directly to revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same class of assets previously recognised in surplus or deficit.

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

If the carrying amount of a class of assets is decreased, the decrease is recognised in surplus or deficit. However the decrease is directly debited to revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that class of assets.

On retirement or disposal of a revalued asset, the whole revaluation surplus in respect of that asset is transferred directly to accumulated surplus or deficit.

(e) Inventories

Inventories consist of excise stamps, spare parts and consumables and are valued at the lower of cost or net realisable value (NRV), or replacement cost in the absence of NRV.

(f) Accounts Receivable

Accounts receivable are stated at original invoice amount less an estimate for doubtful receivables based on a review of all outstanding amounts at year end.

(g) Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and cash in hand.

(h) Accounts Payable

Accounts payable are stated at their fair value.

(i) Revenue recognition

(i) Exchange Transactions

Revenue from exchange transactions are measured at the fair value of the consideration received or receivable and recognised as follows:

- Interest on a time proportion basis that takes into account the effective yield on the asset.
- Charges for use of assets (other than cash and cash equivalents) as they are earned in accordance with terms of the relevant agreement.

(ii) Non-Exchange Transactions

Assets and revenue arising from transfer transactions are recognised in accordance with the requirements of IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers).

• **Transfer Revenue**

Assets and Revenue arising from transfer transactions are recognised in the period in which the transfer arrangement becomes binding and are measured at fair value at the date of recognition.

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

Monetary assets are measured at their nominal value.

Non-monetary assets are measured at their fair value which are determined by reference to observable market values or by independent appraisal by a member of the valuation profession.

Receivables are recognised when a binding transfer arrangement is in place but cash has not been received.

Where transfers are received prior to a transfer arrangement becoming binding, a liability is recognised for the advance receipt.

- **Taxes**

MRA is an agent of the Government for collection of revenue under the Revenue Laws and amounts collected do not represent economic benefits or service potential that flow to the entity and do not result in increase in assets or decrease in liabilities. Hence, taxes collected are excluded from revenue and are not reported in the financial statements.

However, following amendment to the MRA Act in December 2012, the MRA shall for the purpose of

- (i) assessment of liability to, the collection of and accountability for tax; and
- (ii) the management, operation and enforcement of the Revenue Laws prepare statements duly signed by the Director General regarding the various taxes in respect of the financial year 2014 and 2015 and onwards.

- (j) **Excise Stamps**

Fees collected from sale of excise stamps are treated as tax accruing to the Government and paid to the Consolidated Fund.

- (k) **Employee Benefits**

- **Retirement Benefits**

MRA operates both a defined benefit pension plan and a defined contribution pension scheme.

- (i) **Retirement Benefits under Defined Benefit Pension Plan**

The assets of the defined benefit pension plan are managed by the SICOM Ltd and the cost of providing the benefit is determined in accordance with actuarial review.

The present value of defined benefit obligations is recognised in the statement of financial position as a non-current liability or non-current asset after adjusting for fair value of plan assets, any unrecognised actuarial gains and losses and any unrecognised past service cost.

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

The current service cost and any unrecognised past service cost are included as an expense together with the associated interest cost, net of expected return on plan assets.

A portion of the actuarial gains and losses is recognised as income or expense if the net cumulative unrecognised actuarial gains or losses at the end of the previous accounting period exceeded the greater of:

- 10% of the present value of the defined benefit obligation at that date: and
- 10% of the fair value of plan assets at that date.

The excess determined is spread over the expected average remaining working lives of employees in the plan, which was determined as 19 years as at 30 June 2017.

(ii) **Public Pensions Defined Contribution Pension Scheme**

A public pension defined contribution pension scheme has been set up with effect from 1 January 2013 following amendment to the Statutory Bodies Pension Funds Act 1978. New entrants in MRA as from 1 January 2013 shall join the scheme and contribute 6% of their salaries. MRA's contribution to the scheme shall be 12% of salaries paid to the new entrants and such contributions are charged to the Statement of Financial Performance in the period to which they relate.

(iii) **State plan**

For those employees holding a permanent and pensionable post, MRA contributes to the Family Protection Scheme managed by SICOM Ltd and the Civil Service FPS Board. It also contributes to National Pension Scheme for those working on contract basis. The contributions are expensed to the Statement of Financial Performance in the period in which they fall due.

(iv) **Leave**

The MRA applied a policy for the provision of sick leave following a review of conditions of service of staff with effective date 1 January 2015.

MRA employees are entitled to 21 days of sick leave per year and can accumulate their unutilised sick leave up to a maximum of 100 days in bank. Once the maximum is reached, they are entitled to encash up to 16 unutilised days of sick leave out of their annual entitlement. Sick leave accumulated in bank may either be cashed on retirement or taken as pre-retirement leave

Liabilities for unutilised sick leave are recognised in surplus or deficit in the period in which they are earned and are measured at the amounts expected to be paid. Unutilised sick leave in bank is treated as a long term liability except for staff who are expected to retire within one year from year end. The provision for the latter is included in current liabilities.

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

(iv) Car loan to staff

In the report on salary and review of conditions of service 2014, recommendation was made to effect that employees who are entitled to duty deferred facilities be eligible under the foregoing arrangements to a loan for the purchase of a vehicle/car of an appropriate engine capacity.

In June 2015, the Ministry of Finance and Economic Development (MOFED) agreed to provide funds by way of an advance to the MRA for the granting of car loan to employees of MRA on the following terms:

Loan amount	: Maximum of 15 months salary
Interest rate	: 4% except for employees who joined service as from 1 July 2013, the rate applicable is the prevailing repo rate.

Loan repayment period : Not more than 84 months.

The car loan scheme is effective as from January 2016.

The advance from MOFED is initially recognised as a financial liability at the fair value of consideration received whereby loan granted to staff is initially recognised as a financial asset at the fair value of consideration given. Subsequent measurements are at amortised cost.

Repayment due by staff within one year is included under current assets and receivable due later than one year under non-current assets.

The portion of advance refundable within one year is included under current liabilities and advance payable later than one year under non-current liabilities

(I) Foreign Currency Translation

Transactions in foreign currencies are translated into the functional and presentation currency, Mauritian Rupee, at the date of transaction using the spot exchange rate.

Monetary assets and liabilities denominated in foreign currencies in the Statement of Financial Position are translated into Mauritian Rupees using the closing rate.

Exchange differences arising are recognised in surplus or deficit in the period in which they arise.

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

(m) Impairment

At each reporting date, the Authority reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. Accounting Judgements and key Sources of Estimation Uncertainty

The preparation of financial statements in accordance with IPSASs requires the Authority's management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Financial Statements

NOTES TO ACCOUNTS - YEAR ENDED 18 MONTHS ENDED 30 JUNE 2017

5. Property, Plant & Equipment

	Building Rs	Computer Equipment Rs	Furniture & Fittings Rs	Motor vehicles Rs	Equipment Rs	Total Rs
COST / VALUATION						
At 1 January 2016	299,665,500	153,084,518	68,461,587	29,695,000	145,353,152	696,259,757
Revaluation	-	(78,269,253)	-	-	(655,077)	(78,924,330)
Additions	-	44,890,115	6,808,330	4,348,400	141,281,457	197,328,302
Disposals/Scrap/Write Off	-	(16,207,210)	(833,065)	(650,000)	(13,372,068)	(31,062,343)
Impairment	-	-	-	-	(189,885)	(189,885)
Adjustment	-	(68,874)	(8,758,844)	-	(2,793,754)	(11,621,472)
AT 30 JUNE 2017	299,665,500	103,429,296	65,678,008	33,393,400	269,623,825	771,790,029

DEPRECIATION

At 1 January 2016	17,371,913	104,563,146	47,429,411	2,149,430	74,569,605	246,083,505
Revaluation	-	(113,538,542)	-	-	(1,371,351)	(114,909,893)
Charge for the period	6,514,467	26,739,610	7,896,582	7,945,164	46,214,347	95,310,170
Disposals/Scrap/Write Off	-	(16,040,086)	(767,005)	(65,833)	(13,310,174)	(30,183,098)
Adjustment	-	(68,874)	(8,758,844)	-	(2,793,754)	(11,621,472)
AT 30 JUNE 2017	23,886,380	1,655,254	45,800,144	10,028,761	103,308,673	184,679,212

NET BOOK VALUE

AT 30 JUNE 2017	275,779,120	101,774,042	19,877,864	23,364,639	166,315,152	587,110,817
Progress payments on Tangible Non-Current Assets						3,442,581
						590,553,398
AT 31 DECEMBER 2015	282,293,587	48,521,372	21,032,176	27,545,570	70,783,547	450,176,252
Progress payments on Tangible Non-Current Assets						10,154,400
						460,330,652

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

6. Intangible Assets

	Computer Software Rs
COST	
At 1 January 2016	155,395,509
Revaluation	(63,490,206)
Additions	24,810,559
AT 30 JUNE 2017	116,715,862
AMORTISATION	
At 1 January 2016	119,648,219
Revaluation	(97,135,444)
Charge for the period	23,193,568
AT 30 JUNE 2017	45,706,343
NET BOOK VALUE	
AT 30 JUNE 2017	71,009,519
Progress payment	1,266,480
TOTAL	72,275,999
AT 31 DECEMBER 2015	35,747,290

	30 JUNE 2017 Rs	31 DECEMBER 2015 Rs
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7. Cash and Cash Equivalents

Cash at Bank	58,222,778	66,257,201
Cash in Hand	96,751	72,124
Total	58,319,529	66,329,325

8. Receivables and Prepayments

Receivables - Exchange Transactions	2,175,718	1,351,242
Deposit	28,000	28,000
	2,203,718	1,379,242
Prepayments	21,522,293	10,282,633
Total	23,726,011	11,661,875

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

	30 JUNE 2017 Rs	31 DECEMBER 2015 Rs
9. Inventories		
Consumables	5,933,658	7,218,860
Excise Stamps	5,116,526	6,714,414
Spare Parts	1,434,297	1,056,985
Total	12,484,481	14,990,259

10. Car Loan to staff

Loan granted	73,893,396	-
Loan repaid	(11,272,924)	-
Balance	62,620,472	-
Receivable due not later than one year	(10,894,518)	
Receivable due later than one year	51,725,954	-
Receivable due later than one year but within five years	42,127,318	-

Loan equivalent to a maximum of 15 months salary is granted to staff for purchase of vehicles at an interest rate of 4% or prevailing repo rate and refundable over a period not exceeding 7 years.

11. Deposit

Deposit - MCCI	8,000,000	8,000,000
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The deposit of Rs 8M has been reclassified from current to non-current assets and represents a float advanced to Mauritius Chamber of Commerce and Industry (MCCI) to be used for refund of VAT and Customs duty incurred by non-residents.

12. Payables

Trade Payables	15,657,601	13,670,095
Other Payables	7,870,470	16,347,413
Employee Benefits	12,080,450	29,706,610
Payable to GOM - Excise Stamps	-	2,064,963
Deposits	7,978	7,978
Total	35,616,499	61,797,059

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

	30 JUNE 2017 Rs	31 DECEMBER 2015 Rs
13. Advance Receipts - Transfers		
At 1 January	-	3,606,170
Capital grant received during the period	226,760,946	30,471,318
	226,760,946	34,077,488
Transfer to revenue	(226,520,136)	(34,077,488)
At 30 June	240,810	-

The advance receipt of Rs 240,810 is refundable to GOM.

14. Advance from MOFED

Advance received	73,893,396	-
Advance repaid	(11,272,924)	-
Balance	62,620,472	-
Payable not later than one year	(10,894,518)	-
Payable later than one year	51,725,954	-
Payable later than one year but within five years	42,127,318	-

The Ministry of Finance and Economic Development (MOFED) provide funds to MRA by way of an advance for granting car loan to employees.

15. Provision for Dismantlement of Property, Plant and Equipment

The MRA acquired an X-Ray Gantry Scanner in April 2016. A provision of Rs 6,628,380 has been recognised for costs to be incurred for dismantling the equipment and restoration of site which is expected in 8 years.

	18 MONTHS ENDED 30 JUNE 2017 Rs	YEAR ENDED 31 DECEMBER 2015 Rs
16. Revenue from Non-Exchange Transactions		
Grants received for Capital Expenditure	226,760,946	30,471,318
Advance Receipts - Transfers	(240,810)	3,606,170
	226,520,136	34,077,488
Grants received for Revenue Expenditure	2,345,600,000	1,425,500,000
Legal Costs received/receivable	1,580,660	18,330
Total	2,573,700,796	1,459,595,818

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

	18 MONTHS ENDED 30 JUNE 2017 Rs	YEAR ENDED 31 DECEMBER 2015 Rs
17. Revenue from Exchange Transactions		
Interest	-	897,597
Liquidated Damages	372,277	357,879
Insurance - Group Personal Accident	-	48,538
Commission-Sale of Cars Seized under Ponzi Scheme	-	1,200,798
Encashment of Bond	198,904	617,975
Reversal of Payables	1,060,990	-
Sundries	73,675	94,053
Total	1,705,846	3,216,840

18. Administrative Expenses

Staff Costs	1,960,467,817	1,240,548,185
Increase in Provision- Employee Benefits	50,019,440	15,947,953
Increase in Provision - Leave	25,382,172	225,394,993
Training of Staff	9,192,482	5,145,278
Board Members Fees	3,535,000	2,330,000
Missions / Training Abroad	7,193,638	4,522,876
Professional Fees	15,760,313	6,360,541
Office Expenses & Services	66,676,853	40,248,920
Rent	61,232,958	38,993,016
Rental of Equipment	14,396,580	-
Utilities	50,698,816	33,519,093
Motor Vehicle Expenses	23,116,281	14,282,632
Advertising and Publications	12,668,066	8,249,320
Materials, Supplies and Consumables	16,859,219	11,998,727
Excise Stamps	10,392,801	3,497,836
IT Expenses	58,628,957	30,499,625
Uniform	8,886,822	1,655,786
Conference	4,333,560	569,167
Contributions / Subscriptions to Other Organizations	6,057,540	4,638,408
	2,405,499,315	1,688,402,356
Depreciation and Amortisation	118,503,738	76,763,546
	2,524,003,053	1,765,165,902

Note: Net loss due to exchange rate difference for the 18 months ended 30 June 2017 amounted to Rs 3165.

19. Finance Cost

Bank Charges	6,734,064	4,299,123
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Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

20. Loss on Disposal of Assets

Loss on disposal of assets for 18 months ended 30 June 2017 includes an impairment charge of Rs 59,885 as a result of impairment of an X-Ray scanner.

An impairment test was carried out as at 30 June 2017 and was found that a majority of cables running inside the scanner was damaged and some were beyond repairs with the possibility of erratic errors.

The recoverable amount (trade in value) of the scanner was less than its carrying amount by Rs 189,885, out of which Rs 130,000 was reversed against revaluation reserve.

21. Related Party Transactions

The Authority regards the Government of Mauritius as its controlling party and discloses the following for the period under review in accordance with IPSAS 20 (Related Party Disclosures).

	30 JUNE 2017 Rs	31 DECEMBER 2015 Rs
(i) Grants Received from Government		
Grants for Capital Expenditure	226,760,946	30,471,318
Grants for Revenue Expenditure	2,345,600,000	1,425,500,000
	<u>2,572,360,946</u>	<u>1,455,971,318</u>
(ii) Compensation to Key Management Personnel		
Short Term Benefits:		
Fees to Board Members	3,535,000	2,330,000
Management Personnel Compensation	76,310,631	51,000,977
Post-Employment Benefits Contribution	-	-
Termination Benefits	-	-
	<u>79,845,631</u>	<u>53,330,977</u>

As per provisions of the Act constituting the Authority, the Board members represent the interest of Stakeholders. However, the Board considers that such representation does not trigger any other related party transactions that would require any further disclosure.

22. Employee Benefits

Retirement Benefit Obligation	167,245,165	117,225,725
Sick Leave	249,020,179	225,394,993
Total	<u>416,265,344</u>	<u>342,620,718</u>

Financial Statements

NOTES TO ACCOUNTS -18 MONTHS ENDED 30 JUNE 2017

22. Employee Benefits (Cont'd)

(1) Defined Benefit Pension Plan

The defined benefit pension plan is funded by both the MRA and its employees and the assets of the plan are invested in funds managed by SICOM Ltd.

	30 JUNE 2017 Rs	31 DECEMBER 2015 Rs
Amounts Recognised in Statement of Financial Position at end of year:		
Present Value of Funded Obligation	2,923,882,063	2,594,922,431
Fair Value of Plan Assets	(1,739,786,901)	(1,543,542,506)
	1,184,095,162	1,051,379,925
Present Value of Unfunded Obligation	-	-
Unrecognised Actuarial Gain/(Loss)	(1,016,849,997)	(934,154,200)
Liability Recognised in Statement of Financial Position at end of year	167,245,165	117,225,725
Amounts Recognised in Statement of Financial Performance :		
Current Service Cost	123,575,955	85,953,944
Employee Contributions	(67,034,962)	(44,274,974)
Fund Expenses	4,052,795	2,656,536
Interest Cost	253,004,937	157,047,520
Expected Return on Plan Assets	(153,990,578)	(112,041,656)
Actuarial Loss/(Gain) Recognised	35,508,524	15,200,035
Past Service Cost Recognised	-	-
Total, included in Staff Costs	195,116,671	104,541,405
Movements in Liability Recognised in Statement of Financial Position:		
At start of year	117,225,725	101,277,772
Total Staff Cost as above	195,116,671	104,541,405
Contributions paid by Employer	(134,003,159)	(88,551,849)
Special Contribution made by Employer	(10,666,242)	-
Actuarial Reserves In	(427,830)	(41,603)
At end of year	167,245,165	117,225,725
Actual Return on Plan Assets:	131,085,894	19,914,181
Main Actuarial Assumptions at end of period:		
Discount Rate	6.50%	7.50%
Expected Rate of Return on Plan Assets	6.50%	7.50%
Future Salary Increases	4.00%	5.00%
Future Pension Increases	3.00%	3.00%

The overall expected rate of return on plan assets is determined by reference to market yields on bonds.

Financial Statements

NOTES TO ACCOUNTS -18 MONTHS ENDED 30 JUNE 2017

22. Employee Benefits (Cont'd)

	30 JUNE 2017 Rs	31 DECEMBER 2015 Rs
Reconciliation of the Present Value of Defined Benefit Obligation		
Present Value of Obligation at start of year	2,594,922,431	2,093,966,927
Current Service Cost	123,575,955	85,953,944
Interest Cost	253,004,937	157,047,520
Benefits Paid	(136,383,315)	(70,617,861)
Liability (Gain)/Loss	88,762,055	328,571,901
Present Value of Obligation at end of year	2,923,882,063	2,594,922,431

Reconciliation of Fair Value of Plan Assets

Fair Value of Plan Assets at start of year	1,543,542,506	1,464,091,726
Expected Return on Plan Assets	153,990,578	112,041,656
Employer Contributions	134,003,159	88,551,849
Employee Contributions	67,034,962	44,274,974
Special Contribution paid by Employer	10,666,242	-
Actuarial Reserves In	427,830	41,603
Benefits Paid + Other Outgo	(140,436,110)	(73,274,397)
Asset (Loss)/Gain	(29,442,266)	(92,184,905)
Fair Value of Plan Assets at end of year	1,739,786,901	1,543,542,506

Distribution of Plan Assets at end of year

<u>Percentage of Assets at end of year</u>	2017	2015
Government Securities and Cash	56.60%	58.10%
Loans	4.40%	4.30%
Local Equities	15.80%	15.90%
Overseas Bonds and Equities	22.60%	21.00%
Property	0.60%	0.70%
Debenture stocks	0.00%	0.00%
Total	100%	100%

Additional Disclosure on Assets issued or used by the Reporting Entity

<u>Percentage of Assets at end of year</u>	2017	2015
Assets held in the Entity's own Financial Instruments	%	%
Property occupied by the Entity	0	0
Other Assets used by the Entity	0	0

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

22. Employee Benefits (Cont'd)

History of Obligations, Assets and Experience Adjustments

	30 JUNE 2017	31 DECEMBER 2015
Currency	Rs	Rs
Fair Value of Plan Assets	1,739,786,901	1,543,542,506
Present Value of Defined Benefit Obligation	(2,923,882,063)	(2,594,922,431)
Surplus/(Deficit)	(1,184,095,162)	(1,051,379,925)
Asset Experience Gain/(Loss) during the period	(29,442,266)	(92,184,905)
Liability Experience Gain/(Loss) during the period	(88,762,055)	(328,571,901)

Period

2017/18
Expected Employer Contributions
Rs 92,948,856

An actuarial valuation of the pension fund was carried out by SICOM Ltd as at 30 June 2015.

The final decision for implementation of the recommendations made in the valuation report rests with the Ministry of Finance and Economic Development (MOFED).

(ii) Public Pension Defined Contribution Pension Scheme

The contribution of the MRA to the defined contribution pension scheme for the period January 2016 to June 2017 is Rs 17,709,288.

	30 JUNE 2017 Units	31 DECEMBER 2015 Units
Opening stock	90,264,000	61,030,000
Purchases	107,000,000	120,000,000
	197,264,000	181,030,000
Sales	(133,122,420)	(90,766,000)
Closing stock	64,141,580	90,264,000
Defective stamps held at end	3,880,000	4,360,000

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

24. Comparison of Budget with Actual

MRA presents its financial statements and expenditure budget on an accrual and cash basis respectively. The original expenditure budget covers the 6 months, 1 January 2016 to 30 June 2016 carried over from 2015/16 appropriations and 12 months, 1 July 2016 to 30 June 2017. Provision for both periods were approved by the National Assembly as one-line budget.

(i) Recurrent Budget

Actual amount includes an increase of Rs 50M in provision for retirement benefit obligation and an additional provision of Rs 25.4M for sick leave. An amount of Rs 14.4M, provided for in the capital budget for acquisition of scanner has been expensed to the statement of financial performance.

The difference between final recurrent expenditure budget and actual (excluding increase in provision for employee benefits and transfer from capital budget) is less than 1%. Major variances are explained as follows:

- **Salaries and other staff cost**

Savings of Rs 7.1M is attributable to unfilled vacancies and related cost.

- **Rent**

Rs 1.4M has been carried over to 2017/18 as rent prepaid.

- **Motor Vehicle expenses**

Cost of replacement of an engine for Rs 925,750 has been capitalised.

- **IT expenses**

Net prepayment of Rs 6.5M has been carried over to 2017/18.

- **Contribution and subscription**

Rs 1.2M has been paid in advance and carried over to 2017/18.

- **Excise stamps**

Actual amount represents cost of issues made out of stock.

(ii) Capital Budget

The variance of Rs 40.1M is made up of:

- Rs 25.5M for capital projects carried over.
- Projects for Rs 8.9M has not been undertaken.
- Savings of Rs 5.7M on other projects were made as costs incurred were less than expected.

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

	30 JUNE 2017 Rs	31 DECEMBER 2015 Rs
25. Revaluation of Assets		
Equipment	12,764,220	23,177,946
Motor Vehicles	17,338,555	17,988,555
IT Equipment and Software	68,914,527	-
	99,017,302	41,166,501

The whole class of IT equipment and software were revalued by an independent valuer (Broll Indian Ocean Limited) with effective date 30 June 2017 and resulted in a surplus of Rs 69,630,801, out of which Rs 716,274 was reclassified to equipment.

26. Revaluation of IT Equipment and Software- Assumptions and Basis of Valuation

Assumptions:

The valuation has been carried out on the premise that:

- the assets are valued as a whole, in situ and as part of the business as a going concern.
- assets which may be subject to a financing arrangement are deemed to be the property of the owner.
- all items provided in the list are functional unless told of the contrary at site inspection.
- List of items submitted is complete and up to date.
- the valuer was not instructed to do a physical inventory of assets. However, sample check was effected.

Basis

Valuation has been primarily derived using the Depreciated Replacement Cost Approach and prepared in accordance with RICS Valuation - Global Standards, 2017.

27. Lease of Land

The New Custom House has been constructed on a portion of land of the extent of 1.51 hectares initially leased by the Mauritius Ports Authority (MPA) to MOFED. The leasehold rights over the land was subsequently transferred to the MRA effective as from 1 January 2012 up to 30 June 2023. The rental payable is as follows:

- Rs 2,250,000 per annum for the period January 2012 to December 2016.
- Rs 2,812,500 per annum for the period January 2017 to December 2021.
- Rs 3,515,625 per annum for the period January 2022 to June 2023.

The lease may be renewed at the option of the MRA for three further periods of 20 years on such terms and conditions (including revision of rent) as may be agreed between MPA and MRA.

Financial Statements

NOTES TO ACCOUNTS - 18 MONTHS ENDED 30 JUNE 2017

28. Contingent Liability

(i) Claims

The MRA has some pending legal cases. However, it is not practical to give a prudent estimate of their financial effects, uncertainties relating to the amount or timing of any outflow.

(ii) Bank Guarantee

As at 30 June 2017, the Mauritius Revenue Authority provided two guarantees of Rs 210,000 each for VAT Lucky Draw Scheme and Efilng Draw in favour of Gambling Regulatory Authority to meet licensing conditions as lottery organiser under the GRA Act 2007.

29. Capital Commitments

MRA had capital commitments of Rs 32.4 M at 30 June 2017 but not recognised in the financial statements.

30. Controlling Party

The Authority regards the Government of Mauritius as its controlling party.

31. Risk

- (i) Except where stated elsewhere, the carrying amounts of the Authority's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.
- (ii) Currency risk arises from purchase of goods and services which are denominated in foreign currencies and exposure is minimised by negotiating favourable exchange rates with the bank.
- (iii) Except for cash held at bank in current accounts, the Authority does not have any investment in term deposits nor any loan commitments. However, the Authority operates a car loan scheme for its staff and money for that purpose is advanced by the Ministry of Finance and Economic Development for onward remittance to staff at a fixed rate of interest of 4% or prevailing repo rate. Hence, it is not exposed to interest rate risk.
- (iv) The Authority's credit risk is primarily attributable to its receivables. Management reviews all outstanding amounts at year end to determine doubtful receivables. Furthermore, loan advanced to staff for purchase of car is secured against a lien on the car and an additional guarantee for recovery against retiring benefits of the employee in case of default.
- (v) The Authority does not have significant liquidity risk. All funds come from the Government and cash is drawn on a monthly basis for recurrent expenditure and as and when required for capital expenditure. Forecast cash requirements are closely monitored and a target level of available cash is maintained to meet liquidity requirements.

32. Income Tax

The Authority is not liable to income tax.

12.

THE MRA'S
PERFORMANCE
FOR THE PERIOD JULY 2016
TO JUNE 2017

The MRA's performance for the period July 2016 to June 2017

Objectives	Indicators	Targets			Achievements	
1. Promoting Tax Compliance	• Tax revenue collected	Tax	Budget Estimates Rs m	Revised Collections Rs m	Tax	Rs million
		Corporate Tax	11,069	11,569	Corporate Tax	11,861
		Income Tax	8,270	8,670	Income Tax	8,674
		VAT	31,430	30,230	VAT	30,189
		Customs Duties	1,150	1,200	Customs Duties	1,172
		Excise Duties	17,439	17,067	Excise Duties	17,256
		Gambling	1,980	1,905	Gambling	1,885
		TDS	1,215	1,190	TDS	1,247
		Passenger fee	1,580	1,690	Passenger fee	1,473
		Others	2,002	1,902	Others	1,949
		Total	76,135	75,423	Total	75,706
	• Percentage of cases selected for audit	LTD (excl. GBL Companies)		33%	LTD (excl. GBL Companies)	21.7%
		MSTD:-			MSTD:-	
		Income Tax (Business)		3%	Income Tax (Business)	3.7%
		VAT		15%	VAT	8.3%
		PAYE		10%	PAYE	5.3%
		Gambling		50%	Gambling	36.5%
	• No. of cases in which Investigations completed	250			195	
	• No. of cases in which assessments are agreed / compounded	80			82	
	• No. of joint investigations by FID & Customs	25			22	
	• Average additional tax demand created per fiscal investigation	Rs 4 million			Rs 2.1 million	
	• No. of operators visited by Flying Squad	150			171	
	• No. of cases recommended for prosecution	10			25	
	• No. of cases identified for investigation following department's intelligence work	100			130	
	• Number of intelligence visits conducted	400			482	
	• Number of surprise visits conducted by the intelligence	75			89	

The MRA's performance for the period July 2016 to June 2017

Objectives	Indicators	Targets			Achievements		
1. Promoting Tax Compliance <i>Cont'd</i>	• Assessments raised	No target set, position in Year 2015					
		Tax	No. of Assessments	Tax Yield (Rs million)	Tax	No. of Assessments	Tax Yield (Rs million)
		Income Tax	3,326	645	Income Tax	4,038	314
		Corporate Tax	881	3,971	Corporate Tax	1,855	5,305
		VAT & others	722	932	VAT & others	635	727
		Gaming & Others			Gaming & Others	419	697
		Total	4,929	5,548	Total	6,947	7,043
	• Percentage of the no. of cases where business audit is completed within 5 months of its beginning to the total no. of audits completed	60% - MSTD			69.6% - MSTD		
	• Percentage of the no. of cases where business audit is completed within 9 months of its beginning to the total no. of audits completed	100% - MSTD			96.8% - MSTD		
	• Arrears collected	N/A			Rs 1,896 million		
	• Percentage of total amount of old collectible debt collected to total collectible debt at the start of the year	25%			16.1%		
	• Percentage of total collectible debts to total revenue collections	8%			7.7%		
	• Number of visits for widening of tax base	100			97		
	• Number of items of information placed on system	150,000			189,759		

The MRA's performance for the period July 2016 to June 2017

Objectives	Indicators	Targets	Achievements
1. Promoting Tax Compliance <i>Cont'd</i>	• Number of sources from which information is to be collected	2,500	2,512
	• Number of new taxpayers as a result of information matching	5,000	6,790
	• VAT Invoice & Lottery Scheme <ul style="list-style-type: none"> ➢ No. of VAT lucky draws effected ➢ No. of taxpayers sending VAT receipts through SMS or MRA website. 	Quarterly 40,000	4 55,167

The MRA's performance for the period July 2016 to June 2017

Objectives	Indicators	Targets	Achievements
2. Promoting Taxpayer Education, Communication & Facilitation	• Average no. of days for registering taxpayers	3 days	85% in 3 days & 15% in 4 days
	• Number and amount of refunds – Income Tax	N/A	Individuals: 54,261 claims received & amount refunded Rs 347.3m Corporate: 1,957 claims received & amount refunded Rs 1,178m
	• Percentage of returns filed electronically to total no. of returns	LTD – 100% MSTD – Company above Rs10m -100% – Company below Rs10m -90% Individuals – 92%	LTD – 97.1% MSTD – Company above Rs10m-92.8% – Company below Rs10m -99% 92.8% Individuals – 99%
	• Number of e-payment users at Customs	2,800	8,234
	• Number of awareness raising campaigns organized	100 Activities to be conducted for 3 Campaigns	VAT Campaign – 82 activities E-filing – 98 activities E-Auction – 57 activities Stop Drug: 86 activities Taxpayer Portal: 7 activities Anti-corruption: 1 activity Total: 331
	• Number of educational seminars/ workshops conducted	40	40
	• Number of taxpayer information leaflets/ tax bulletins issued, published & distributed	25	27
	• Number of times MRA website is updated	As & when needed	823 times
	• Number of subscribers to MRA Taxpayer Mailing Service	For all new taxpayers providing their email address	67,821
	• Time within which tax payers calling at office are served (average waiting time)	5 minutes	3.8 minutes

The MRA's performance for the period July 2016 to June 2017

Objectives	Indicators	Targets	Achievements
3. Facilitating Trade and Ensuring Border and Society Protection	• Percentage of declaration subjected to physical examination – excluding compulsory inspections	5 %	9.33 %
	• Average dwell time for cargo	Channels	Channels
		Sea	Sea
		Air	Air
		Green	Green
		Yellow	Yellow
		Red	Red
	• Maximum time taken to issue a (Binding) tariff ruling	2 days	2 days
	• Exports clearance time	Sea: 2 minutes & Air: 10 minutes	Sea: 0.51 minutes & Air: 1.01 minutes
	• Narcotics seizure	N/A	Weight / Qty
			Value (Rs)
			Heroin
			Hashish
			Cannabis
			Cannabis Seeds
			Psychotropic Substances
			Synthetic Cannabinoids
			Cocaine
			Methamphetamine (MDMA)
			Total
	• Total number of post clearance audits during the year	130	104
	• Total number of Customs Offence Reports(CORs) raised	300	520
	• Duties and Taxes assessed from CORs	Rs 5 million	Rs 10.04 million
	• Duties & Taxes collected from CORs	Rs 5 million	Rs 9.54 million
	• Duties and taxes raised as a result of value upliftments	Rs 25 million	Rs 21.71 million
	• Number of excise offences detected	20	7
	• Number of control visits of excise operators	250	250

The MRA's performance for the period July 2016 to June 2017

Objectives	Indicators	Targets	Achievements
4. Strengthening Good Governance and Improving Corporate Image	• Number of declaration of assets verified and reports produced	100	91
	• Number of cases of complaints/ allegations where enquiries initiated	All	45
	• Number of investigations completed	25	37
	• Number of cases where disciplinary, remedial actions or cases referred to Police/ICAC recommended	All	9
	• Conducting regular survey on Integrity perception	December 2016	Completed
	• Preparing & implementing Annual Audit Plan using a risk based methodology	September 2016	Completed
	• No. of system audits	6	6 system audits completed <ul style="list-style-type: none"> • Audit of Pension • Freight Stations • IT CMS Control • Recruitment • Customs Approved Storerooms (CAS) • Complaint Management System
	• No of Transaction audits in main areas of Revenue Systems	15	17 completed
	• IT Governance	As & when needed	Completed

The MRA's performance for the period July 2016 to June 2017

Objectives	Indicators	Targets	Achievements
5. Modernising IT	• Externalising Tax Residence Certificate Services	December 2016	50% Completed
	• Migration to IPv6 network addressing scheme	June 2017	93% Completed
	• Leveraging on the Information Highway	Automatic Sharing of data - December 2016	75% Completed
	• System, Security & Network upgrade	June 2017	On-going
6. Developing Processes & Technology -	• Finalization of Performance Indicators and targets / benchmarks for different departments in MRA	September 2016	Completed
	• Maintenance & Sustainability of ISO Certification ➤ Conducting training ➤ Monitoring the quality audits ➤ Attending & reporting on all meetings	On-going	All activities in respect of ISO projects completed during the Financial Year MRA has been recertified to ISO 9001 till July 2018
	• Enhancements of E-services	December 2016	100% Completed
	• Enhancements to FINHRMS	June 2017	75% Completed
	• Monitoring performance of different departments against set targets/ benchmarks	Monthly	Monthly
	• Online Complaint Management System	July 2016	Completed
	• Implementation of Cheque Truncation System (CTS)	September 2016	On-premise installation completed
	• Implementation of Record Management System by Department	On-going	Completed in OSD, OADR, MSTD (Refund & Non-filers Units), LTD (Refund & TRCS Units)

The MRA's performance for the period July 2016 to June 2017

Objectives	Indicators	Targets	Achievements
7. Developing People	• No. of Internal Training Programmes conducted	60	52
	• % staff who completed Induction Training	100%	100%
	• No. of Man Days provided	15,000	17,077
	• Updating training needs analysis based on Performance Appraisal exercise	October 2016	Completed
	• Recruitment Plan / Staffing Requirements	Monthly	Discussed on a monthly basis during Management Team Meeting
	• % of posts vacant against total posts	4%	4.3%
	• Time Taken (months) to fill in vacancies after advertisement	Grade I & II – 4 months	Within 4 months for Grade I & II and slightly more than 2 months for other Grades
		Others – 2 months	
	• Rate of staff turnover	2%	0.76%
	• No. of Health & Safety Committees held	6	6
	• Conducting Performance Appraisal (PA) Exercise	Every 6 months	PA exercise FY2015/2016 & Interim PA for FY2016/2017
	• Corporate Social responsibility - Training placement for university students - Food distribution/ donation to an orphanage - Organising a family day for MRA's staff & their family	• 15 • June 2017 • July 2016	• 16 • Donation Rs 25,000 made to Caritas. Contributions also made to other social organizations to assist them in their functions. • Completed
	• No. of health/nutrition promotion programme for whole workforce	3	9
	• No. of social events & welfare initiatives conducted	10	11 sports activities held in collaboration with FMSC
	• No. of informative HR circular communicated to staff & updates posted on the Intranet	15	17
	• Measuring staff engagement – employee engagement satisfaction survey	August 2016	Completed
	• MRA to become an Employer of Choice – Build Corporate Image through briefing/talks on career & employment opportunities (Career fair)	March 2017	Completed – 2 Talks/presentations made to students of different universities & 1 Secondary School

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List of Acronyms

APS	Advance Payment System
ARC	Assessment Review Committee
ATAF	African Tax Administration Forum
COR	Customs Offence Report
CPS	Current Payment System
CSR	Corporate Social Responsibility
DOA	Declaration Of Asset
DTAA	Double Taxation Avoidance Agreement
EDRTS	Expeditious Dispute Resolution of Tax Scheme
EPF	Environment Protection Fee
FATCA	Foreign Account Tax Compliance Act
FITA	Free Income Tax Assistance
GRA	Gambling Regulatory Authority
HNWI	High Net Worth Individual
LSD	Legal Services Department
LTD	Large Taxpayers Department
MACCS	Mauritius Cargo Community Services Ltd
MOFED	Ministry of Finance and Economic Development
MRA	Mauritius Revenue Authority
MSTD	Medium and Small Taxpayers Department
OECD	Organisation for Economic Co-operation and Development
OGA	Other Government Agencies
OSD	Operational Services Department
PATS	Plaisance Air Transport Services
PAYE	Pay As You Earn
PCCA	Post Control and Clearance Audit
PIT	Personal Income Tax
RKC	Revised Kyoto Convention
TDS	Tax Deduction at Source
TIEA	Tax Exchange Information Agreement
TRC	Tax Residence Certificate
VAT	Value-Added Tax
VLDS	VAT Lucky Draw Scheme
WMS	Warehouse Management System



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