

MRA Annual Press Conference

The Annual Press Conference of the MRA was held on Friday 03 September 2021 at the seat of the MRA Head Quarters, Ehram Court, Port Louis. Mr Sudhamo Lal, the Director-General welcomed members of the media and paid a tribute to front liners who risked their lives for the benefit of the community. He made a special mention for MRA officers who worked from home to implement the Self-employed Assistance Scheme (SEAS) and Government Wage Assistance Scheme (GWAS) announced by the government hardly a day after the lockdown in 2020. Customs officers also went the extra mile to enable the clearance of essential and pharmaceutical/medical goods.

Thereafter, Mr Lal made a presentation to members of the media in the presence of the management team of the MRA. Members of the media had the opportunity to ask questions after the presentation.

The highlights of the presentation are as follows:

1. Revenue collection by the MRA

- Rs 89.3 Billion revenue collection for FY 2020/21
- Rs 93.7 Billion revenue collection for FY 2019/20
- Tax Assessments for the year 20/21 was 7.6 billion compared to Rs 1.759 for the year 19/20

2. E-filing rate

Returns	E-filing rate (%)
	FY 2019/20
Personal Income Tax	99.8
Corporate Tax	99.7
VAT	99.8
Passenger Fee	100
Social Security Contributions	99
Customs	100

3. Managing Progressive Tax & Income Support Systems which reduce Income Inequality

Annual Income Level	Tax Type	Total Tax Rate
Leviable income exceeding Rs3 million	Solidarity Levy (10%) & Income Tax (15%)	25%
Net Income exceeding Rs650,000	Income Tax	15%
Net Income between Rs325,000 and Rs649,999	Income Tax	10%
Net Income between Rs 130,000 & Rs324,999	No Income Tax	0%
Gross Income below Rs130,000 (or Rs10,000 monthly)	Disbursement of Special Allowance & NITA	Up to Rs1,000 given monthly

4. Income Distribution and Tax Payments

Net income (Rs)	Number of Taxpayers	Number of liable Taxpayers	Tax paid (Rs m)	% of Taxpayers	% of Tax paid
Up to 500,000	38,496	388	388	31.0%	3.6%
500,001-750,000	40,643	1,031	1,031	32.7%	9.6%
750,001-1,000,000	18,345	1,167	1,167	14.8%	10.8%
1,000,001-2,000,000	18,564	2,519	2,519	14.9%	23.3%
2,000,001-5,000,000	6,351	2,503	2,503	5.1%	23.2%
5,000,001-10,000,000	1,310	1,566	1,566	1.1%	14.5%
10,000,001 & above	466	1,620	1,620	0.4%	15.0%
Total	124,175	10,795	10,795	100.0%	100.0%

5. Ease of Paying Taxes ranking

Mauritius is now ranked at the 5th position (out of 190 countries) with a score of 94% in the ease of paying taxes indicator, owing to the sustained reforms implemented by the MRA.

6. Impact of Tourism Sector on MRA Collections

Type of Tax	2018-19 Normal Year A	2019-20 4 months border closure B	2020-21 Full year border closure C	% Growth (B/A)	% Growth (C/B)
Value Added Tax	4,874	4,121	873	-15%	-79%
Corporate Income Tax	217	250	-26	15%	-110%
Personal Income Tax (employees in tourism subject to PAYE)	297	286	220	-4%	-23%
Passenger Fee	1,602	1,211	24	-24%	-98%
Environment Protection Fee	332	248	14	-25%	-94%
TOTAL	7,322	6,116	1,105	-16%	-82%

Indirect Impact – VAT only

- When hotels are not operating normally, providers of goods and services to the hotel sector (who may be VAT registered) will also not make normal supplies to them
- It is the indirect effect of border closure on VAT receipts for the MRA
- VAT claimed on the hotel sector and remitted to the MRA is available in the VAT Return of Hotels in the form of “input tax”
- Direct and indirect impact of border closure on MRA receipts is at least Rs 7.5 billion compared to a normal year

7. Contribution Sociale Généralisée

An amount of Rs 5,247 million for Contribution Sociale Généralisée has been collected over the nine-month period of 2020-21

8. Solidarity Levy (SL) Collections

- Some 3,300 taxpayers paid Rs 1,176 M of Solidarity Levy in Sep/Oct 2020 in their income tax returns
- Rate of SL was 5% of emolument, business and dividends income exceeding Rs 3.5 M
- Rate of SL increased to 25% for FY 2020/21 subject to a cap of 10% of net income & dividends. Income threshold reduced from Rs 3.5 M to Rs 3 M
- Emolument earners started paying PAYE on the new SL as from August 2020
- Rs 881 M already received as PAYE on SL from August 2020 to June 2021
- Expect some Rs 1.6-1.8 BN of SL in Sep-Oct 2021 tax returns from salaried persons/self-employed, including on dividends

9. MRA Performance 2020/21 - Tracking of Non-filers

- To maintain the confidence of compliant taxpayers, MRA pursued those not filing a tax return through enforcement actions
- During the FY 2020/21, the MRA adopted a cooperative approach in the handling of non-filing cases
- 28,468 letters were issued to non-filers for filing of tax returns
- 4,164 returns were received and Rs 45.2 million was collected
- 960 automatic tax claims were issued with tax payable amounting to Rs 27.3 million
- For those still not complying, 929 cases were audited for a total assessed tax of Rs 137 million

10. Money Laundering - Initiatives taken by MRA in the fight against money laundering

- AML/CFT Unit has been set up within the Fiscal Investigations Department in February 2020

The Objectives of the AML/CFT Unit:

- identify, investigate and prosecute tax evasion cases having a money laundering limb
- work in close collaboration with other Law Enforcement Authorities to deter money laundering
- During FY 2020/21, the Unit has referred 18 cases to ICAC for money laundering investigations, having tax evasion as predicate offence
- The tax involved in these cases amounted to Rs 73.4M
- Initiatives taken by MRA in the fight against money laundering
- Information received from the FIU for the period 2018 to 2020 for investigation purposes resulted in the issue assessments to the tune of Rs 34.5M
- Unit working closely with FIU, FSC and Corporate and Business Registration Department for information exchange in suspected cases of tax evasion

11. MRA's support to combat illegal betting

- 20 cases of illegal betting identified by the MRA during the last three years
- All cases referred to Police des Jeux for appropriate enquiry
- In 3 cases, Police has raided the premises of the persons who have been arrested and booked
- One case referred by MRA to ICAC for parallel investigation into money laundering as a predicate offence of tax evasion
- In other case, following his arrest, the person had to submit a surety of Rs 50,000 and a recognizance of Rs 250,000. The DPP has recommended that prosecutions be initiated
- Last week following information gathered by MRA officers, Police has arrested a young man for illegal bookmaking
- Upon a search of his premises several lists of persons having placed bets have been secured
- Among the punters are licensed bookmakers and also one person who has bet an amount of Rs 1,6 million for a single race day. Enquiry is still in progress

12. International Taxation

- **OECD**

- Mauritius subject to regular monitoring by the OECD of its preferential tax regimes
- Recent monitoring exercise - Mauritius' preferential tax regimes meet all the set criteria
- Currently undergoing the confidentiality and data safeguards assessments by the Global Forum
- The only jurisdiction in Africa having successfully maintained an "on track" rating with respect to Common Reporting Standard implementation - shows commitment towards tax transparency and combatting illicit flows

- **EU**

EU Council declared Mauritius:

- compliant with all commitments on tax cooperation
- implementing ahead of schedule required reforms to address the deficiencies identified
- complying with EU tax good governance principles

13. Customs

- **E-Courier platform**

- To cope with the upsurge of online transactions through Postal & Courier Services, platform has been developed
- It provides for electronic submission and processing of assessment for all such consignments

- **Integrated Customs Clearance Centre (ICCC)**

- One-stop-shop for cargo clearances
- Will house several border agencies under one roof to reduce dwell time at airport
- The construction of the building started on 15th January 2020 is on-going
- 70 % of work completed
- Expected to be inaugurated in January 2022

- **Border Control & Enforcement Measures**

- Body Worn Camera for Examining Officer
- Full Body X-Ray Scanner at SSRIA Passenger Terminal and at Port (*Awaiting Factory Acceptance Test and commissioning*)
- Online platform for the control of Precursor Chemicals along the supply chain
- Application for sharing of information on small vessels, boats and yachts at regional level
- Baggage scanner in the Port Area
- Seizures made by Customs are highlighted in the table below:

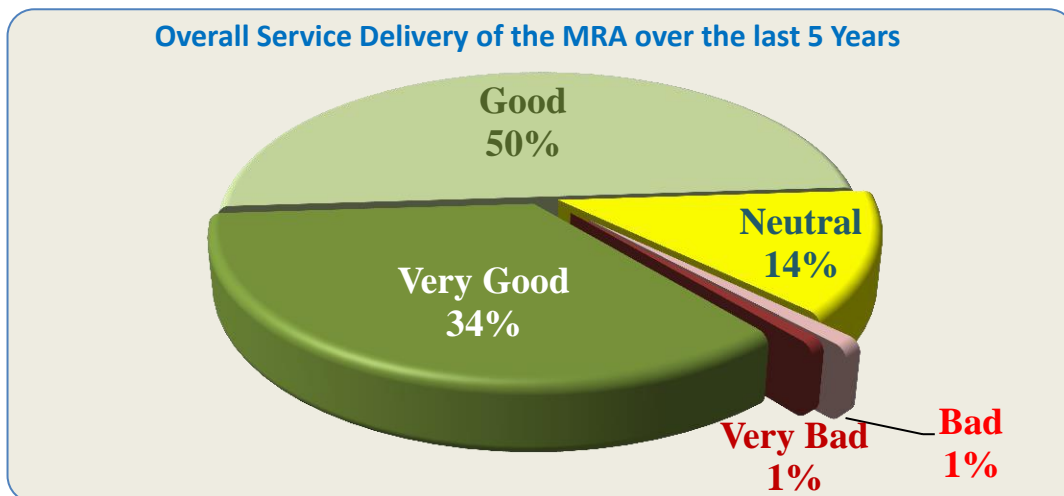
Narcotics	Weight/Quantity	Value (Rs)
Heroin	15,257.81	228, 867,150
Synthetic Cannabinoids	57.61	64, 451,100
Cocaine	378.58	38, 381,100
Cannabis	61 units	191,388
Hashish	2,558.74	172,830
Psychotropic Substances	6 (tabs)	9,000
Cannabis Seeds	4,298.11	6,100
TOTAL		332, 078,668

14. Towards a Paperless & Cashless Organisation

- Almost 100% E-filing of all Tax Returns and Customs Declarations
- 97% of MRA Collections received through e-payment
- Income Tax and VAT Refunds effected directly into bank account
- 100% e-payment by the MRA in respect of the following income support schemes
 - Wage Assistance Scheme
 - Self-Employed Assistance Scheme
 - Negative Income Tax
 - Special Allowance
 - Salary Compensation
 - Film Promotion Fund
 - VAT on Residential Building/apartment

15. MRA Performance 2020/21 Online Taxpayer Satisfaction Survey

- The Survey was conducted during the September/October 2020 filing season through the MRA portal
- 30,582 taxpayers responded (16% of target population)



16. Government Wage Assistance Scheme (GWAS)

	June 2020	June 2021
Employers	14,925	12,725
Employees	270,800	221,730
Amount disbursed	Rs7,603m	Rs9,083m

17. Self-Employed Assistance Scheme (SEAS)

	June 2020	June 2021
Self employed	195,573	231,052
Amount disbursed	Rs2,382m	Rs4,301m

18. NITA & SPA

		June 2020	June 2021
Negative Income Tax Allowance (NITA)	Number of Beneficiaries	51,059	32,209
	Amount disbursed	Rs136m	Rs85m
Special Allowance (SPA)	Number of Beneficiaries	69,391	69,482
	Amount disbursed	Rs329m	Rs430m

19. Salary Compensation & Subsidies

- **Salary Compensation 2021** paid to employees of Small & Medium enterprises (SMEs):
 - Rs 235 to employee of Export enterprise
 - Rs 375 to employees of other enterprises
 - In FY 2020-21, Rs 9.8m was paid namely:
 - Rs6.2m to 128 Export Oriented SMEs on behalf of 12,260 employees
 - Rs3.6m to 624 Non-Export Oriented SMEs on behalf of 3,875 employees

20. Implementation of Tax Measures - Finance Act 2021

- **Deduction for dependent in respect of bedridden next of kin**
 - An individual will not be precluded from claiming a bedridden next of kin as dependent if the latter benefits from the social security benefits exceeding Rs 110,000 in a year
- **Additional reliefs available in EDF FY 2021/2022**
 - Deduction for donations made electronically to an approved charitable NGO/ religious body up to a maximum of Rs 30,000
 - Deduction for contribution up to a maximum of Rs 30,000 made to an approved Individual Pension Scheme
- **Books and Records**
 - Regulation to be published and MRA will ensure that person carrying on business keep at all times such books and records
- **Rebate on motor vehicle** - rebate on the amount of Customs/Excise duties payable provided the vehicles are cleared before 30 June 2022
 - Bus - 30% of the customs duty payable
 - Motor Cars - 30% to 40% of the excise duty payable
 - Other Vehicles - 30% of the excise duty payable
- **Excise Duty on Sugar Sweetened Products**
 - The tax of 6 cents per gram of sugar on locally manufactured and imported non-staple sweetened products effective as from **1 July 2022**
- Penalty and interest payable on late payment of excise duty will be introduced
- MRA will be empowered to recover erroneous payments made to exporters/recyclers in respect of waste PET bottles exported/recycled

21. Projects in the Pipeline

- Integrated Customs Clearance Centre (ICCC) at the Airport (***Nearly 70% of work already completed***)
- Setting up of a Drugloo Facility at SSR International Airport
- National Single Window, in collaboration with other agencies, providing for a single trade platform for all import clearances
- E-Invoicing for better VAT Compliance
- CEMS for online information about bets in casinos and gaming houses
- FAQs and Chat Box on selected tax issues (e.g filing of income tax returns)
- Campaign to promote record keeping by businesses
- Encouraging self-employed persons to meet their CSG Obligations