

## Tax Treaties

### The MRA pursues its capacity building of tax officials in collaboration with SADC



In prelude to the negotiations pertaining to a Double Taxation Avoidance Agreement (DTAA) between Botswana and Mauritius, a Comprehensive Training on Tax Treaties training was organised jointly by the Southern African Development Community (SADC) Secretariat and the Mauritius Revenue Authority (MRA).

Thirty-nine participants from various African countries including Mauritius availed themselves of a one and half day training and assistance programme on Tax Treaties which was held at the Integrated Customs Clearance Centre (ICCC), Le Chaland, Plaine Magnien on 01 August 2022. The aim was to encourage tax officials to keep abreast of developments in tax treaties.

During the opening ceremony, the Acting Director-General of the MRA, Mr. Dhanraj Ramdin highlighted that the sustained collaboration between Mauritius and SADC does not date from today but from several years back.

This collaboration provides several opportunities for the tax officials to participate in tax forums organized by the SADC to enhance their skills. Some modern tax rules are being developed by international bodies to curtail international tax evasion and prevent the erosion of tax base and profit shifting, he added.

Besides, a SADC subcommittee is also working towards encouraging member States in providing more tax incentives, whether profit-based incentives or investment-based tax incentives for the growth. Mr. Dhanraj Ramdin stressed on the importance of putting in place the appropriate framework through which information can be exchanged such as Tax Treaties and Tax Information Exchange Agreements (TIEAs).

## 45 Tax Treaties signed



Mr. Dhanraj Ramdin indicated that Mauritius is a signatory to 45 Tax Treaties and has started many negotiations with other countries for the signing of new treaties to harmonize the tax policies with the current business model. He observed that international tax evasion is a global phenomenon which requires international cooperation and one of the key tools for bringing such cooperation to fruition is the exchange of information.

On his part, Mr. Dhoojanaden Maunikum, the Director of Human Resources and Training Department at the MRA highlighted the benefits of treaties namely the growth in international investment, reducing/eliminating double taxation over cross-border income, and promoting cooperation among tax administrations, especially in tackling international tax evasion. He observed that the challenges faced in the process of getting treaties negotiated, are even more significant and it requires common understanding of the rules of international taxation.



Mr. Faisal Oozeerally, Director of Large Taxpayers Department at the MRA exemplified that, as a member of the Inclusive Framework of the OECD Global Forum, Mauritius is committed to implement the 4 minimum standards of Base Erosion and Profit Shifting (BEPS). With the changes in the taxation landscape in today's digital world, it is imperative that tax legislations should be adapted to cater for these changes, he added.



Mr. Faisal Oozeerally pointed out that the treaties can be amended in two ways; through bilateral negotiations or the Multilateral Instrument (MLI). He explained that 44 of our existing Double Taxation Avoidance Agreements were listed to be covered under the MLI, out of which 25 will be BEPS compliant through the MLI. The remaining 19 are either not signatories to the MLI or did not list Mauritius as a Covered Tax Agreement.



Mr. Samuel Dlamini, Senior Programme Officer- Macroeconomic Convergence and TAX, SADC, commended Mauritius for fully supporting various African countries in terms of taxation. He asserted that the SADC aims to strengthen the region's economic performance and enhance the sustainable and inclusive growth. In his vote of thanks, he emphasized that the MRA is a reference in terms of tax administration and this is one of the reasons why Mauritius was chosen for this capacity building.