

MRA hosts a workshop on Transfer Pricing

The Mauritius Revenue Authority (MRA), in collaboration with the African Tax Administration Forum (ATAF), hosted a workshop on Transfer Pricing from Monday 24th to Friday 28th July 2023, at Custom House, Mer Rouge, Port-Louis. Some 40 officers from MRA availed themselves of this workshop.



The workshop on Transfer Pricing saw the participation of some 40 officers from MRA

The workshop on Transfer Pricing was of great pertinence to the Mauritian tax landscape: Financial Transactions, Tax Residence and Permanent Establishments.

In his keynote address, Mr. Sudhamo Lal, Director-General of the MRA, expressed his deep gratitude to ATAF for facilitating this workshop in Mauritius. At the very outset, he stated that *“MRA is privileged to benefit from this programme of support, technical assistance and expertise of the resource persons. It acts as a valuable tool to enable MRA staff to tackle the challenges ahead.”*

The Director-General of the MRA underlined that *“Transfer Pricing, or rather abusive transfer pricing, was cited in the landmark 2015 Mbeki report of the United Nations Economic Commission for Africa (UNECA) as one of the means of tax evasion and aggressive tax avoidance, which enables illicit financial flows to take place in Africa.”* The international community, he added, is also unanimous that the misapplication of the arm’s length principle by multinationals has become a key concern for the preservation of the domestic tax base of *Organization for Economic Cooperation and Development (OECD)* and ATAF member countries.

“Mauritius has joined in the international efforts to implement Anti-Base Erosion and profit-shifting measures, which include the automatic exchange of country-by-country reports since 2018, to improve transparency on the international tax arrangements of multinationals and to facilitate transfer pricing risk-based selection worldwide,” he added.

Mr. Lal pointed out that *“such comprehensive workshops have so far covered the fundamentals of transfer pricing as well as the key concepts of comparability and benchmarking”*. Based on the feedback received from the post-training evaluations, MRA staff have not only gained valuable insights, but are also eager to learn more from experts, to improve their skills, he observed.

Transfer pricing is a complex area of international taxation that requires a deep understanding of economic principles, tax regulations, and practical implementation, hence the importance of training people on this subject. For Mr. Lee Corrick, Technical Adviser at the ATAF, *“the workshop facilitated the sharing of experiences and best practices among tax professionals, fostering a collaborative environment that encouraged active engagement and learning.”*

The workshop consisted of theoretical and practical aspects of transfer pricing to address transfer pricing challenges. *“Theory and practical training on transfer pricing ensures enhanced compliance, increased revenue collection, and more importantly, it allows many countries to navigate effectively the evolving global tax landscape”*, he concluded.