

TAX BASICS

FOR NEWLY INCORPORATED
COMPANIES

COMPANY TAX OBLIGATIONS

2018

2019

2020

Pay As You Earn (PAYE)

A company should within 14 days of becoming an employer, register with the Director-General as an employer, by submitting an Employer Registration Form dully filled in by him.

As an employer, the company should:

1. Withhold tax as required from emoluments and directors' fees.
2. Remit the amount withheld to the MRA by the due date.
3. Give statement of emoluments and tax deductions to employees on or before 15th August of every year.
4. Submit to MRA an annual Return of Employees (ROE).

The Guide on PAYE, a copy of which may be downloaded from the MRA's website, www.mra.mu, provides all the necessary information on the operation of the PAYE system.

Tax Deduction at Source (TDS)

A company paying interest, royalty, commission and rent or effecting payments to contractors/subcontractors, providers of specified services and to any person for the procurement of goods and services under a contract should deduct tax at source at the appropriate rate on the invoiced amount (pre-vat), at the time the payment is made available to the payee.



Advance Payment System (APS)

Every company shall submit to the Director- General, in respect of each APS quarter, an APS Statement and at the same time pay the tax.

A company shall not submit an APS Statement in respect of an APS quarter where in the accounting year immediately the commencement of that APS quarter:

- a. the company's gross income did not exceed 10 million rupees; or
- b. it had no chargeable income.

Submission of Annual Return and Payment of Tax

An annual return of income tax should be submitted by every company whether or not it has a chargeable income.

The annual return should be submitted within 6 months after the end of the company's accounting year.

For the first year, a company may prepare accounts for a period not exceeding 18 months.

Electronic Filing

All companies should submit electronically the following returns and pay tax accordingly through direct debit.

- i. Corporate tax return
- ii. VAT returns
- iii. Annual return of employees
- iv. Monthly TDS return
- v. APS statement
- vi. Return of dividends paid

MRA recommends all other companies to file electronic returns and pay tax electronically.

NPF/NSF

Obligation to pay contributions:

Every month, every employer is required to submit to the Director-General of the Mauritius Revenue Authority (MRA) a statement giving the details of every employee who was employed during the preceding month and pay the amount of contributions in accordance with the National Pensions Act, National Savings Fund Act and Human Resource Development Act.

Contributions are payable as from the month in which an employee takes up employment whether on a part-time or full time basis and whether on probation or not

No contribution is payable in respect of:

- i. An employee who has not attained the age of 18;
- ii. An employee who has attained the final retirement age (70 years); and
- iii. A non-Mauritian citizen employee of an export manufacturing enterprise in respect of his first 2 years of employment.

Keeping of Books and Records

A company should keep, in English or French language, proper books, registers, accounts, records such as receipts, invoices or vouchers etc. for the purpose of enabling its gross income and allowable deductions to be readily ascertained.

Compulsory Registration for Value Added Tax (VAT)

A company should register for VAT purposes where:

- i. Its annual turnover of taxable supplies exceeds or is likely to exceed 6 million rupees; or
- ii. It is engaged in any business or profession specified in the Tenth Schedule to the Value Added Tax Act irrespective of its turnover or taxable supplies.

Environment Protection Fee (EPF)

A company engaged in the under mentioned activities is liable to EPF and it should register with MRA for EPF purposes within 14 days of the start of its activities.

- Hotel, guest house or tourist residence of more than 4 bedrooms.
- Stone crushing, manufacturing or processing of aggregates, concrete blocks, pre-cast units, coral sand, rock sand and basalt sand.
- Manufacture, assembly or importation of mobile phones, pneumatic tyres and batteries for vehicles.

Customs Clearance for Goods Imported/Exported

A company should be registered at MRA Customs Department before any goods is cleared. The registration may be done through an approved broker.

The Tax Account Number (TAN) of the company is required for registration.

A customs declaration (bill of entry) in respect of every import/export has to be lodged electronically by an approved broker.

Business Registration Number (BRN)

Every company is allocated a BRN by the Registrar of Companies. The BRN should be indicated on all invoices issued by the company.



This leaflet is for information only. For legal provisions, the relevant legislations should be consulted.

Ehram Court, Cnr Mgr. Gonin & Sir Virgil Naz Streets, Port Louis, Mauritius
T: +230 207 6000 | **F:** +230 211 8099
E: headoffice@mra.mu | **W:** www.mra.mu