



Voluntary Disclosure Scheme

Small and Medium Enterprises (VD-SME)



September 2019

1. **Provision governing “Voluntary Disclosure Scheme for Small and Medium Enterprise - (VD-SME)**

VD-SME is governed by section 28 of the Mauritius Revenue Authority Act.

2. **Objective of VD - SME**

The objective of the VD-SME is to provide an incentive to small and medium enterprises (SME) as defined in Section 28(18) of the Mauritius Revenue Authority Act which have not declared or under-declared income or taxable supplies in the past to come forward and regularise their tax affairs. Under the scheme the declarant will benefit from full waiver of penalties and interest.

3. **Scope of VD-SME**

VD-SME covers:

3.1 Non-declaration/under-declaration of income by an SME.

3.2 Non-declaration/under-declaration of taxable supplies by an SME.

4. **Who can avail of VD-SME**

Any small and medium enterprise (SME), as defined in Section 28(18) of the MRA Act can avail himself of the VD-SME.

As per the aforesaid definition an SME can be an individual or corporate whose annual turnover for the year of assessment 2017-2018 did not exceed 50 million rupees. However the following providers of services are excluded -

- a. Accountant/Accounting firm
- b. Architect
- c. Attorney/Solicitor
- d. Barrister
- e. Engineer
- f. Land surveyor
- g. Legal consultant
- h. Medical service provider
- i. Project manager in the construction industry
- j. Property valuer
- k. Quantity surveyor
- l. Tax adviser or his representative

5. **Period covered under VD-SME**

VD-SME covers -

- a. Any year of assessment up to and including the year of assessment 2017-2018
- b. Any taxable period up to and including taxable period 30 June 2018

6. **SMEs whose case is under objection or appeal**

VD SME is also applicable to an SME who has been

- a. assessed to income tax in respect of year of assessment 2017-2018 or in respect of any prior years of assessment; or
 - b. assessed to value added tax in respect of taxable period ended 30 June 2018 or any prior taxable periods-
- has objected to the assessment under the Income Tax Act or the Value Added Tax Act as the case may be;
 - has lodged representations to the Assessment Review Committee; or
 - has appealed to the Supreme Court or to the Judicial Committee of the Privy Council,
 - and the objection, representations, or appeal was or were pending as at 10 June 2019.

7. **Time limit for VD-SME**

The disclosure under VD-SME will have to be made on or before 29 November 2019.

8. **Procedure**

8.1 Any SME who wishes to benefit from the scheme will have to log in the MRA website, go to the page "SME VOLUNTARY DISCLOSURE" and fill in the appropriate forms. He will have the following options:-

- NON-FILERS
- PERSONS HAVING FILED RETURN
- PERSONS WHOSE CASE IS UNDER OBJECTION OR APPEAL
- NON-REGISTERED PERSONS

8.2 Non-filers

An SME who has not submitted an Income Tax return will have to input the appropriate year of assessment for which he is making a declaration. Similarly for VAT he will have to submit a VAT return for each taxable period for which a declaration is being made.

8.3 Persons having filed return

SMEs who have already submitted a return will have to select the appropriate year of assessment or taxable period for which he is making a declaration and fill in the return.

8.4 Persons whose case is under objection or appeal

Any SME falling under paragraph 6 above and wishing to avail of the VD-SME will have to file a declaration form wherein he withdraws his objection or appeal, as the case may be and applies for the income tax or value added tax assessed to be considered as a voluntary disclosure.

8.5 Non-registered persons

If an SME is not registered for income tax he will have to click at the page of "APPLICATION FOR A TAX ACCOUNT NUMBER". Once he is registered he clicks at "NON-REGISTERED PERSONS" and fills in the appropriate income tax return.

A non VAT registered SME wishing to make a VAT disclosure will have to contact the Registration Unit of the MRA on 2076000 Ext 1164 or 2387. Once registered, he will have to click at "NON-REGISTERED PERSONS" and fill in the appropriate taxable period.

8.6 Acknowledgement of declaration

Each applicant will receive a mail acknowledging the receipt of his declaration. For that purpose, the declarant will have to ensure that he inserts a valid e-mail address when filing a declaration.

9. **Payment of Tax**

The tax due under VD-SME is payable at the time the SME submits his disclosure.

Where the declarant satisfies the Director-General that he is unable to pay the total tax due by 29 November 2019, he shall make arrangements with the Director-



General for the payment of the tax due. Any outstanding balance of tax due as at 29 November 2019 will carry a monthly interest at the rate of 0.5% in respect of Income Tax and 1% in respect of VAT.

10. **Refund of Tax**

No amount of tax, including interest paid shall be refundable under VD-SME.

A voluntary disclosure shall not result in an increase in loss carried forward or VAT paid in excess.

11. **Amendment to declaration**

Any amendment made to a declaration under VD-SME after 29 November 2019, shall not benefit from any waiver of penalty and interest and any immunity from prosecution.

12. **Persons not covered by VD-SME**

No incentive shall be given to a person who has been convicted on or after 1 July 2001 of an offence or against whom there is any pending or contemplating civil or criminal proceedings or who is the subject matter of an enquiry, relating to trafficking in dangerous drugs, arms trafficking, terrorism under the Prevention of Terrorism Act, money laundering under the Financial Intelligence and Anti-Money Laundering Act or corruption under the Prevention of Corruption Act.

13. **Withdrawal of benefit**

Where a declarant fails to comply with any condition imposed under VD-SME, including payment of tax, the benefits granted will be withdrawn.

14. **Limitations of Immunity**

Where it is found that a person has submitted a wrong declaration, he shall not benefit from any waiving of penalty and interest and may also be subject to prosecution under the relevant legislations.



