

WORKSHOP ON COMMON REPORTING STANDARD COMPLIANCE AUDITS

Honourable Soomilduth Bholah, Minister of Financial Services and Good Governance, Chief Guest to the event

COMPLIANCE AUDITS

Co-Organised by the
GLOBAL FORUM SECRETARIAT
and the
MAURITIUS REVENUE AUTHORITY

16 - 18 September 2024
Integrated Customs Clearance Centre
Le Chaland Road, Plaine Miroir
Mauritius



MRA ANNUAL SAINT MATTHEW MASS:

Celebrating the joy of giving

MyRA

a virtual assistant designed to assist individual taxpayers 24/7



STUDY TOUR:

MRA hosts AEOI benchmarking with Moroccan Delegates

Moroccan delegation, Ms. Sanaa Moustachi and Mr. Saad El Boury pay a courtesy call on Mr. M. Sudhamo Lal



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Celebrating the joy of giving

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EDITORIAL NOTE

Dear Readers,

As we adapt to the changing world of taxation, the Mauritius Revenue Authority (MRA) is dedicated to encouraging voluntary compliance and raising awareness among our taxpayers. Our Radio & TV programs on taxation and educational sessions have significantly strengthened our efforts to promote tax compliance. By the end of September, 114,094 taxpayers had submitted their individual income tax returns. With the submission deadline approaching on Tuesday, October 15, 2024, we strongly encourage all taxpayers to file their returns on time to avoid penalties and interests associated with late submission and late payment of taxes. This year, we anticipate having around 280,000 e-filers by the deadline.

At MRA, our mission transcends the core function of tax collection; it is deeply rooted in fostering the common well-being of our society. Compassion is integral to our organizational ethos, reflecting our belief in the power of a shared purpose. This commitment is beautifully embodied in our cherished tradition of hosting the annual Saint Matthew Mass, an event that we celebrated on September 24, 2024. This year's theme, "Saint Matthew reminds us of the joy of serving others," serves as a profound reminder of our dedication to service. It underscores that our responsibilities extend far beyond numbers and compliance; they encompass making meaningful contributions to the welfare of our nation.

Looking ahead, we are pleased to announce the Annual Pooja at Shri Kannanur Mariamen Kovil on November 7, 2024. This event is more than just a spiritual gathering; it celebrates the unity that binds us as MRA family and reinforces our commitment to community and shared values.

As nations increasingly recognize the significance of global collaboration in addressing pressing challenges, Mauritius is poised to host an international conference, the 44th Annual Technical Conference of the Commonwealth Association of Tax Administrators (CATA) from October 21 to 25, 2024, at the Intercontinental Mauritius Resort. This international conference will bring together around 100 delegates, including tax officials and experts from around the world. Under the theme "Reshaping Tax Administration in a Dynamic Landscape," we are eager to engage in meaningful discussions around the challenges and innovations currently shaping our tax environment.

We rely on our taxpayers' continued support. Together, we can pave the way for a more compliant and prosperous future in Mauritius.

Happy reading!

Editorial team

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e-Filing Season 2024:

INDIVIDUAL INCOME TAX RETURNS

- e-FILING SEASON 2024: More than 280 000 e-Filers are expected by the deadline.
- Deadline: Tuesday, **15 October 2024** by midnight.

The Mauritius Revenue Authority (MRA) advises all taxpayers who have yet to submit their returns through www.mra.mu, to complete this process prior to the impending deadline schedule of Tuesday, 15 October 2024. Failure to do so may result in the imposition of penalties and interests.

A Standard Tax Return

A standard tax return is required to be submitted by every individual who during the income year ended 30 June 2024:

1. derived net income which exceeded Rs. 390,000;
2. or derived gross income from business exceeding Rs. 2 million;
3. or derived emoluments in respect of which PAYE has been withheld;
4. or derived income which has been subject to Tax Deduction at Source (TDS);
5. or had a chargeable income.

A Simplified Tax Return

All self-employed individuals are required to submit an income tax return and pay the tax, if any, in accordance with the return. Self-employed individuals who are not required to submit a Standard Tax Return should submit a Simplified Tax Return.



► Individual Income Tax Returns **NEW** e-Filing Season 2024



e-Filing Season 2024:

LIST OF COMMON ERRORS AND OMISSIONS

It has been noted that taxpayers often make several common errors when submitting their Individual Income Tax Returns. Additionally, some may overlook essential documents or fail to report all sources of income, which can lead to discrepancies. Taxpayers are encouraged to take extra care in reviewing their submissions thoroughly and to be mindful of the following errors and omissions to avoid inconsistencies:

1. Claim for deduction in respect of dependent child is wrongly made where:

- i. Both spouses claim dependent(S) in their respective return. This is not allowed. Only one spouse is allowed to claim the deduction.
- ii. Divorced/separated parents claim relief in respect of the same dependent in their respective return;
- iii. The child is over 18 years and is not pursuing full time education.

2. Claim for additional exemption is wrongly made in respect of a child following undergraduate or postgraduate course

- i. where the tuition fees are below Rs 34,800 for a child following an undergraduate or postgraduate course in Mauritius; and
- ii. where the course is not an undergraduate or postgraduate course, but rather a Certificate or Diploma course;
- iii. Moreover, claims cannot be made for courses that are not full-time.

3. Relief in respect of housing loan interest is wrongly claimed where:

- i. the interest paid is not in respect of a housing loan;
- ii. the loan is not secured by mortgage or fixed charge;
- iii. the total income (net income plus interests and dividends received) of either spouse exceeds Rs 4 million.;

4. Claim for dependent spouse wrongly made: A deduction for dependent spouse is not allowable where the taxpayer is not married. The taxpayer should be able to submit a copy of civil or religious marriage certificate, when so required, to substantiate that he/she is married.

5. Non-declaration/under declaration of certain Income that are taxable:

Examples:

- i. Invigilation and other fees e.g. fees from MES;
- ii. Board Director or Board Member Fees.
- iii. Old age pension and any other pension received from Ministry of Social Integration, Social Security and National Solidarity;

6. Users do fill in a return but fail to submit it to MRA

- i. After completing the return and printing of a copy, the user forgets to press submit button before logging out.
- ii. To ensure that you have submitted your return, ensure that you receive an acknowledgement ID.

Penalty for late submission of return (PLS)

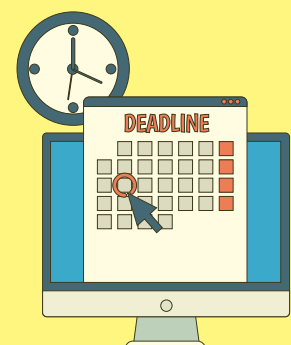
Every person who is required to electronically submit a return and who fails to do so, shall be liable to pay a penalty of Rs 2,000 per month until the time the return is submitted, up to a maximum of Rs 20,000. However, where the person is a small enterprise having an annual turnover not exceeding 10 million rupees or an individual who is not in business, the maximum penalty is Rs 5,000.

Penalty for late payment of tax (PLP)

A penalty of 5 per cent of the amount of tax is payable in case of late payment. However, where the person is a small enterprise having an annual turnover not exceeding 10 million rupees or an individual who is not in business, the rate of penalty is 2 per cent.

Interest on late payment of tax (Interest)

In case of late payment, an interest of 0.5% of the balance of tax payable is accrued for each month or part of the month during which the tax remains unpaid after the due date.

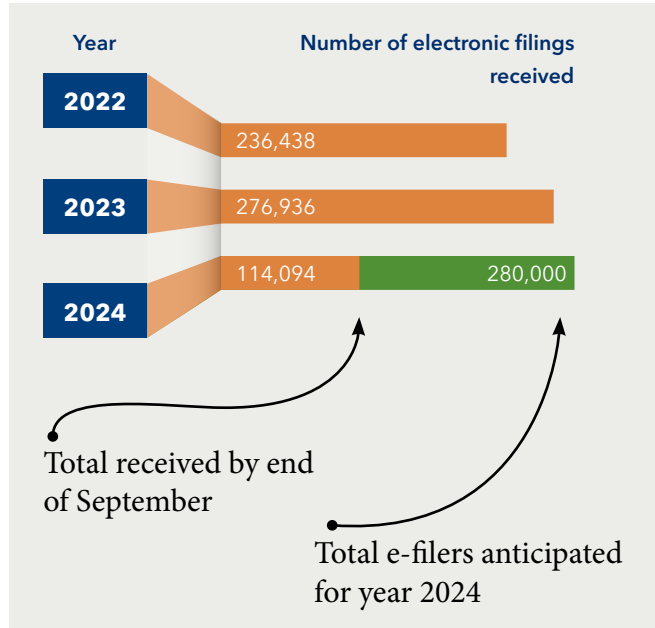


e-Filing Season 2024:

Rise in e-filings

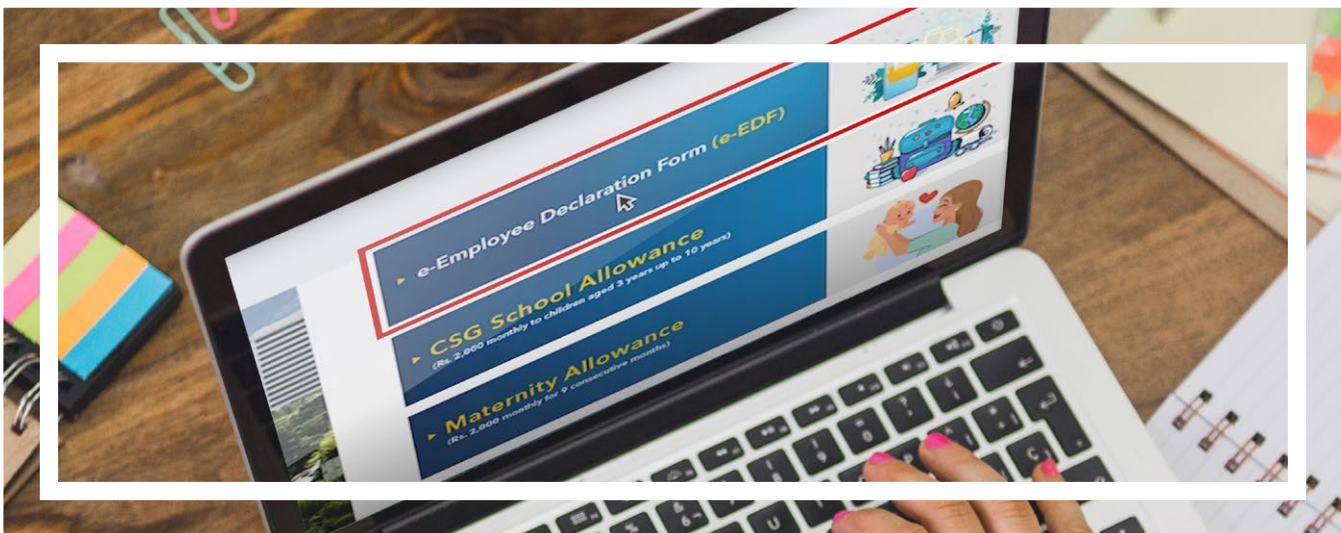
In 2023, 276,936 electronic filings were received, a 17.1% increase from the previous year's 236,438 filings. This increase in voluntary tax compliance demonstrates a strong sense of civic engagement and fiscal responsibility among the people of Mauritius.

As at the 30th of September, 2024, 114,094 taxpayers have submitted their individual income tax returns online. With the submission deadline approaching on Tuesday, 15 October 2024, we encourage all taxpayers to file their returns on time to avoid penalties and interest associated with late submissions. MRA wishes to thank those taxpayers who have already submitted their returns. This year, we anticipate having 280,000 e-filers by the deadline.



In the past, MRA organized a Free Income Tax Assistance (FITA) campaign to help individual taxpayers file their returns and make payments at dedicated centers scattered throughout the island. However, with the advancement in technology, MRA has introduced new options for seamlessly filing and submitting individual income tax returns. One such option is the e-Appointment facility available on MRA website. It allows taxpayers to reserve a time slot on a specific day, convenient for them. Assistance in filing their income tax returns is then provided through a WhatsApp Video Call at the scheduled appointment time.

Last year, MRA launched MyRA, a virtual assistant designed to assist individual taxpayers 24/7, and it is available once again this year.



MRA ANNUAL SAINT MATTHEW MASS: CELEBRATING THE JOY OF GIVING

The Mauritius Revenue Authority (MRA) held its annual Saint Matthew Mass at the St. Louis Cathedral in Port-Louis on Tuesday, September 24, 2024. This event is important for the MRA family who comes together each year to pray and reflect on core values like integrity and responsibility towards the people. This year's theme for the mass, "Saint Matthew reminds us of the joy of serving others," is significant as MRA helps thousands of citizens daily through various financial assistance schemes. Under the CSG Income Allowance, for example, MRA pays around 500 million rupees monthly to some 350,000 people. Additionally, MRA manages nearly a dozen financial assistance schemes! And to fight the socio-economic scourge brought-in by COVID-19, MRA implemented the Self-Employed Assistance Scheme to ensure that self-employed individuals, who were deprived of their income as a result of the lockdown, could have a basic subsistence allowance to keep their kitchen running. In the same vein, thousands of employments were saved under the Government Wage Assistance Scheme. MRA disbursed around Rs28 Billion under both schemes.

In his address during the mass celebrated by Father Jocelyn Gregoire, the Director-General of MRA, Mr. Sudhamo Lal invoked the wisdom of the esteemed religious leader, Ezra Benson, who profoundly stated:

"If you really want to receive joy and happiness, then serve others with all your heart. Lift their burden, and your own burden will be lighter." This quote echoes a fundamental philosophical truth: in the act of selfless service lies the key to transcending personal struggles. By extending our hands to uplift others, we not only enrich their lives but also illuminate the path to our own fulfilment.

Mr. Lal highlighted the importance of serving others, citing the example of Saint Matthew, who was a tax collector and became a follower of Jesus. He emphasized the importance of being honest and transparent in tax collection, saying that "we should never ask a taxpayer or importer for one rupee more than what is owed." This principle is central to MRA's values that promote integrity, accountability and transparency in the tax system.

Referring to the zero-tolerance policy against corruption, Mr. Lal mentioned the Integrity Perception Survey 2024, which showed a significant improvement in the system. Mr. Lal concluded with a quote from the former President of India, Shri Abdul Kalam: "God, our Creator, has stored within our minds and personalities, great potential strength and ability. Prayer helps us tap and develop these powers." This statement reminds us of our inner strength and highlights how spiritual practice helps us realize our true potential.



MRA ANNUAL SAINT MATTHEW MASS: CELEBRATING THE JOY OF GIVING

Father Jocelyn Grégoire praised MRA as an organization dedicated to serving the Mauritian people. He reminded the audience that the taxes collected are vital for funding various financial assistance programs. "MRA functions as a vital authority, where citizens voluntarily agree to contribute to the nation primarily through taxes." In his welcoming speech, Mr. Christian David, Coordinator of the Mass, and Team Leader at the Customs Department, spoke on the importance of recognizing the value of humanity. He pointed out that serving others is not just a duty; it brings happiness and fulfilment to both the people of Mauritius and the members of the Mauritius Revenue Authority. From a philosophical perspective, this idea reflects the selfless concern for the well-being of others. Mr. David's message highlights that our lives gain meaning and joy when we contribute positively to our community. He concluded by saying that our Director-General always supports us in our social endeavours.

Pandit Mohabeer, guest speaker, preached the importance of helping others, stating that "serving humanity is serving God." He added that "helping hands are holier, and that our work should be seen as a temple, deserving our total devotion". By equating our work with the sanctity of a temple, Pandit Mohabeer encourages us to approach our responsibilities with reverence and dedication. This motto inspires individuals to engage wholeheartedly in their endeavours, recognizing that every task especially those aimed at uplifting others.

As per tradition, MRA staff generously made a donation to Caritas Mauritius, showing their commitment to solidarity and supporting the less fortunate.

The Annual Saint Matthew Mass was a significant moment for reflection for all MRA members, reminding them that their mission goes beyond just collecting taxes, but encompasses a broader social endeavour aimed at enhancing community development, supporting public services, and promoting tax fairness within society.



MRA ANNUAL SAINT MATTHEW MASS: CELEBRATING THE JOY OF GIVING



MRA ANNUAL SAINT MATTHEW MASS: CELEBRATING THE JOY OF GIVING



CONTRIBUTIONS AND TAX ARREARS SETTLEMENT SCHEME (CTASS) 2024:

JOIN THE NEW CTASS AND BENEFIT FROM A 75% WAIVER ON PENALTIES, INTEREST, AND SURCHARGES REGARDING ARREARS

The new CTASS Scheme 2024 includes arrears related to contributions such as the National Pensions Fund (NPF), the National Savings Fund (NSF), the Training Levy, and the Contribution Sociale Généralisée (CSG) compared to TASS which applied to taxes only.

Taxpayers can now avail themselves of this scheme on MRA website: www.mra.mu. The renewed scheme, implemented by the Mauritius Revenue Authority (MRA), aims to alleviate the burden of tax and contribution arrears, providing a valuable opportunity for both individuals and businesses to settle their outstanding dues.

Under the CTASS, taxpayers can now significantly reduce their arrears associated with tax and contribution that are outstanding as of June 30, 2024. The scheme provides the following key benefits:

- **Waiver of Penalties, Interest, and Surcharges:** Taxpayers with outstanding arrears under various acts including the Income Tax Act, VAT Act, Gambling Regulatory Authority Act, Social Contribution and Social Benefits Act, and the Human Resource Development Act—can apply for a full waiver of any penalties, interest, or surcharges. To benefit, applications must be submitted to MRA by March 31, 2025, with all dues payable by **June 26, 2025**.
- **Partial Waiver for Pension Contributions:** For contributions arrears specifically under the National

Pensions Fund Act and the National Savings Fund Act, the scheme offers to waive 75% of any surcharge. To qualify, taxpayers must apply by March 31, 2025, and they must settle the total arrears along with 25% of the surcharge by **June 26, 2025**.

For employers who have pending assessments before the Assessment Review Committee, the Supreme Court or the Judicial Committee of the Privy Council can also benefit from the CTASS. However, to avail of this option, they must withdraw their cases from these institutions.

Eligibility and Exclusions

While the CTASS provides numerous advantages, certain conditions apply that taxpayers must be aware of. Individuals who face any of the following circumstances will not qualify for the scheme:

- Convictions for offenses after July 1, 2012,
- Pending or anticipated civil or criminal proceedings,
- Ongoing inquiries related to serious offenses, including drug trafficking, arms trafficking, terrorism-related offenses, money laundering, and corruption, amongst others.

Taxpayers can find all necessary resources on CTASS, guidelines, and application forms on MRA website: www.mra.mu

► Contributions & Tax Arrears Settlement Scheme (CTASS) 2024



THE AUTOMATIC EXCHANGE OF INFORMATION INITIATIVE

The Mauritius Revenue Authority (MRA) aims to be a world-class organization. To achieve this, among other things MRA focuses on capacity building exercises sustained by international organizations like the Organization for Economic Cooperation and Development (OECD), the World Customs Organization (WCO), and the African Tax Administration Forum (ATAF). This collaboration helps MRA in maintaining international tax standards and address customs administration issues.

- **WORKSHOP ON COMMON REPORTING STANDARD COMPLIANCE AUDITS**

Improving jurisdictions' capacities to implement CRS-AEOI

The Mauritius Revenue Authority (MRA), in collaboration with the Organization for Economic Cooperation and Development (OECD) Global Forum Secretariat, conducted a practical workshop on Common Reporting Standard (CRS) Compliance Audits from September 16 to 18, 2024. Held at the Integrated Customs Clearance Centre, ICCC, in Plaine Magnien,

the workshop brought together representatives from 48 jurisdictions, equipping them with essential tools for implementing CRS and ensuring financial institutions in meeting their reporting obligations.

Honourable Soomilduth Bholah, Minister of Financial Services and Good Governance, chief guest to the event, underscored the significance of CRS in enhancing tax transparency in today's global financial landscape. The Minister observed that CRS has emerged as a landmark framework in the global fight against tax evasion, enabling nations to meet their tax obligations while promoting international collaboration to tackle the complex challenges associated with cross-border financial transactions.

Minister Bholah emphasized Mauritius's reputation as a robust and transparent financial environment, which continues to attract global financial institutions, banks, and investment funds. By adopting CRS, he affirmed that Mauritius has reaffirmed its commitment to international cooperation and solidified its status as a credible financial center.



THE AUTOMATIC EXCHANGE OF INFORMATION INITIATIVE

Mr. M. Sudhamo Lal, Director-General of the Mauritius Revenue Authority (MRA), echoed these sentiments, highlighting the role of CRS in combating tax evasion and illicit financial flows. He noted, "Automating tax data exchange enhances global tax transparency. The exchange of information boosts compliance rates." Mauritius is recognized as a leader in CRS implementation in Africa, having initiated its first data exchange in 2018. Furthermore, during its second legislative review in March 2023, Mauritius received commendable assessments with no improvement recommendations, highlighting the country's strong commitment to effective governance and its successful implementation of policies that promote transparency and accountability.

Mr. M. Faisal Oozeerally, Director of the Large Taxpayer Department at the Mauritius Revenue Authority (MRA), affirmed Mauritius's dedication to international standards, promoting trust and integrity within the financial sector. He highlighted that the Exchange of Information (EOI) for tax purposes serves as a powerful mechanism for investigating offshore wealth, thereby addressing cross-border tax evasion and avoidance. While many countries have made strides in establishing the fundamental elements for effective EOI, Mr. Oozeerally noted that efforts are ongoing among recent members of the Global Forum to adopt and implement Exchange of Information on Request (EOIR) effectively.

Mr. Hakim Hamadi from the Global Forum Secretariat outlined the success of the Automatic Exchange of Information (AEOI), indicating that 126 jurisdictions are set to implement the standard. With over 134 million financial accounts exchanged, AEOI initiative has contributed significantly to global tax revenues, thus offering insights into nearly EUR 12 trillion in total assets and generating over EUR 130 billion in additional revenues from taxes, interest, and penalties.

In his welcome address, Mr. Amick Teeluckdharry, Assistant Director of the Taxpayer Education and Communication Department (TECD), MRA, explained that the Common Reporting Standard (CRS) is a global

standard developed by OECD for the automatic exchange of financial account information between participating jurisdictions. He stressed that its primary goal is to combat tax evasion by requiring financial institutions to report information about accounts held by non-residents to their home tax authorities. CRS compliance audits are crucial for maintaining legal and financial integrity, protecting institutions from risks, and contributing to global tax governance efforts, he said.

Crypto-Asset Reporting Framework (CARF)

Crypto-Asset Reporting Framework (CARF) is a new set of rules introduced by the Organization for Economic Cooperation and Development (OECD) that provides guidance on reporting cryptocurrency transactions and complying with anti-money laundering (AML) and counter-terrorist financing (CTF) regulations. This framework aims to achieve transparency in crypto-assets through the annual automatic exchange of information related to crypto-asset transactions among participating jurisdictions whose tax residents engage in such activities.

Crypto-assets are digital values that use secure technology, like blockchain, for transaction verification. This includes stablecoins, crypto-assets derivatives, and some non-fungible tokens (NFTs), which are unique blockchain-based tokens representing items like art or digital content.

Mauritius is dedicated to the future of global finance by taking part in the Crypto Asset Reporting Framework (CARF). The country plans to share information on cryptocurrency holdings by 2027, working on a strong international legal framework and reliable IT systems.



STUDY TOUR:

MRA HOSTS AEOI BENCHMARKING WITH MOROCCAN DELEGATES

In a commitment to enhancing international collaboration and improving tax transparency, the Mauritius Revenue Authority (MRA) hosted Benchmarking Automatic Exchange of Information (AEOI) Study Tour from September 19 to 20, 2024. The Moroccan delegation was led by Ms. Sanaa Moustachi, Head of the Exchange of Information Office, alongside Mr. Saad El Boury, Exchange of Information Officer. The Study Tour underscored the importance of sharing best practices and experiences in implementing AEOI protocols, which facilitate compliance with global standards on tax transparency and information exchange.

On September 20, the Moroccan delegation paid a courtesy call to Mr. M. Sudhamo Lal, G.O.S.K, C.S.K, Director-General of MRA at the seat of MRA, Eham Court, Port-Louis. This courtesy call provided an opportunity for both parties to engage in knowledge sharing, discuss challenges and successes in their respective tax systems, and explore avenues for strengthening cooperation in the realm of exchange of information.

The study tour emphasized key aspects of AEOI, including operational frameworks and compliance measures. MRA delegates highlighted the importance of robust data management systems and inter-agency collaboration. Participants gained insights into OECD confidentiality safeguards, effective data management practices, incident management, and information security, focusing on strategies to mitigate risks and enhance operational efficiency. The study tour underscored the need for continuous vigilance in security measures and data protection.



FIGHT AGAINST FINANCIAL CRIMES

- **FBI brings its expertise**
- **AML/CFT Unit of MRA achieves milestone in 126 cases worth 2.8 billion rupees**

Investigating and prosecuting complex financial crimes involves a comprehensive and methodical approach to uncovering, analyzing, and responding to illegal activities related to financial systems and institutions. These crimes can include, but are not limited to, fraud, money laundering, securities fraud, tax evasion, embezzlement, and other forms of white-collar crime. It is with this objective that the Federal Bureau of Investigation (FBI) and the US Embassy, in collaboration with the Mauritius Revenue Authority (MRA), launched a workshop entitled “Investigating and Prosecuting Complex Financial Crimes” on September 23, 2024, at the Custom House in Mer Rouge, Port-Louis.

This workshop, spanning from September 23 to 27, 2024, regrouped participants from Mauritian agencies, including the Financial Crimes Commission (FCC), Mauritius Revenue Authority (MRA), Financial Intelligence Unit (FIU), Mauritius Police Force (MPF), and the Office of the Director of Public Prosecutions (ODPP). It aimed at enhancing collaboration and information sharing among Mauritian agencies in their fight against financial crimes, particularly money laundering, and its evolving threats in the digital age.

The Opening ceremony was launched by Mr. M. Sudhamo Lal, G.O.S.K, C.S.K, Director-General of MRA, in the presence of Ms. Carine Charlette-Katinic, Director of the Financial Intelligence Unit, and Mr. Rashid Ahmine, Director of the Office of the Director of Public Prosecutions (DPP).

In his keynote address, Mr. Lal articulated the significant risks posed by money laundering to crucial sectors such as banking, legal, accounting, and real estate. He underscored the emerging challenges presented by cryptocurrencies like Bitcoin, which facilitate sophisticated money laundering activities. “The global threat of money laundering is real and demands innovative tools and techniques for detection and prosecution,” emphasized Mr. Lal. He further applauded Mauritius for its high compliance level with the 40 recommendations established by the Financial Action Task Force (FATF), which delineates international standards for combating money laundering and financing terrorism.

Highlighting recent achievements, Mr. Lal announced that the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Unit of the Fiscal Investigations Department had successfully concluded

investigations into 126 cases, totalling 2.8 billion rupees for the financial year ended June 30, 2023. Moreover, for the subsequent period ended June 30, 2024, a total of 281 assessment notices were issued amounting to 1.8 billion rupees.

His Excellency Henry V. Jardine, US Ambassador to the Republic of Mauritius & Seychelles, highlighted the importance of inter-agency cooperation in confronting financial crime. “This workshop presents a chance to enhance interaction and networking among various Mauritian agencies. Strengthening those connections is vital as criminal networks exploit gaps in communication,” he noted.

“The United States is committed to assisting the governments of the Western Indian Ocean in elevating their investigative and prosecutorial abilities to combat money laundering and financial crimes,” the Ambassador said.

“The full-time presence of the FBI in Mauritius and Seychelles is a testament to our commitment to strengthening our collaborative efforts in fighting corruption and transnational crime in the region,” Ambassador Jardine affirmed.

Ambassador Jardine also underscored the need for law enforcement to remain adaptive in the face of rapidly evolving criminal methods. He emphasized the essential role of prosecutors from the very early stages of investigations, stating: “Collaboration between investigators and prosecutors is a proven strategy that has yielded successful outcomes across the globe.”

Ms. Leah Tanner, Supervisory Special Agent from the FBI, expressed her appreciation for the enthusiasm shown by the investigators tackling the complexities of financial crimes. She recognized the unwavering dedication and commitment of the officers from the Mauritius Revenue Authority, Mauritius Police Force, Financial Intelligence Unit, and Financial Crime Commission which participated in the workshop, highlighting their vital role in the fight against financial crime.

The collaboration among enforcement agencies exemplifies a unified commitment to strengthening collective efforts against financial criminality in Mauritius.



FIGHT AGAINST FINANCIAL CRIMES

Money laundering

Money laundering is the process of disguising illegally obtained money to make it appear legal. This often involves transferring the money through various banks or transactions, allowing criminals to spend it without arousing suspicion.

There are various common techniques used in money laundering, including:

- Structuring (Smurfing): Breaking down large amounts of cash into smaller, less suspicious amounts and depositing them separately.
- Real Estate: Buying property with illicit gains and then selling it, thus creating a veneer of legitimacy.
- Shell Companies: Establishing companies that exist only on paper and are used to shield the real owner of the funds.
- Trade-Based Money Laundering: Over- or under-invoicing for goods and services to move money across borders.
- Cryptocurrency: Using digital money for anonymous fund transfers.

Legal Framework

Money laundering is illegal and it is a criminal offense in most jurisdictions worldwide. Many countries have implemented the Anti-Money Laundering (AML) regulations to combat this financial crime. These laws require financial institutions to:

- Report suspicious activity to authorities.
- Conduct due diligence on clients to understand their financial activities and the source of funds.
- Implement transaction monitoring systems to detect unusual patterns of behaviour.

Enforcement agencies

In Mauritius, a collaborative effort among enforcement agencies, including the Mauritius Revenue Authority, the Office of the Director of Public Prosecutions, the Financial Crime Commission, the Financial Services Commission, the Mauritius Police Force, and the Financial Intelligence Unit works tirelessly to combat corporate fraud, financial crimes, and money laundering.



TRANSFER PRICING:

STRENGTHENING LOCAL TAX AUTHORITIES TO COMBAT PROFIT SHIFTING AND PROMOTE FAIR TAXATION

Transfer pricing, a strategy used by multinational corporations to allocate profits and minimize tax liabilities by shifting income from higher to lower tax jurisdictions, has become an important point of discussion in international taxation. This practice often raises concerns about aggressive tax avoidance, particularly in developing nations where tax revenue is crucial for economic stability.

The Mauritius Revenue Authority (MRA), in collaboration with the African Tax Administration Forum (ATAF), hosted a workshop on Transfer Pricing from September 23 to 27, 2024, at Custom House, Mer Rouge, Port-Louis. The workshop addressed vital issues such as Corporate Tax Residency, Permanent Establishments (PE), and the Attribution of Profits to a PE, underscored by the Organization for Economic Cooperation and Development (OECD) Transfer Pricing Guidelines. The incorporation of case studies provided participants with the opportunity to apply theoretical concepts to real-world scenarios, thus enhancing practical understanding. The resource persons were Mr. Lee Corrick, ATAF Technical Adviser on International Taxation, and Mr. Anthony Kibirige from the Uganda Revenue Authority.

Some 40 officers from MRA availed themselves of this training. This workshop not only aligned with international standards but also catered to the unique economic and tax environment of Mauritius.

In his keynote address of the launching ceremony of the workshop, Mr. M. Sudhamo Lal, Director-General of MRA, expressed his gratitude to ATAF for their support, stating, "MRA is privileged to benefit from this programme of support, technical assistance, and expertise from the resource persons. It serves as a valuable tool to enable MRA staff to tackle the challenges ahead." He further asserted that Mauritius has faced challenges in this area in the need to balance an investor-friendly jurisdiction with the necessity of addressing the risks of base erosion and profit shifting.

Mr. Lal believes that tax authorities must remain vigilant against the ongoing risks associated with base erosion and profit shifting, particularly in light of developments from the OECD's Base Erosion and Profit Shifting (BEPS) project and the UN Framework Convention on International Tax Cooperation.

The need for training in transfer pricing cannot be overstated. As Mr. Lee Corrick pointed out, the complex nature of this area of international taxation demands a comprehensive understanding of both economic principles and tax regulations. By engaging tax professionals in discussions on best practices and shared experiences, such training encourages voluntary compliance and builds a more robust framework for tax administration, he concluded.





MIRROR DATA ANALYSIS:

A VITAL FOCUS FOR MODERN CUSTOMS

Mirror Data Analysis compares trade data from exporting and importing countries to detect discrepancies and irregularities that could suggest misuse of trade procedures, such as illegal market diversion of goods that benefit from suspended duties. For customs administrations, the main application and benefit of mirror data analysis is risk management for control. Data analysis enhances fraud control by reducing the information advantage of importers, which helps to lessen the information imbalance in international trade transactions.

Mr. M. Sudhamo Lal, G.O.S.K, C.S.K, Director-General of the Mauritius Revenue Authority (MRA), was the chief guest at the opening ceremony for the AFRITAC South Regional Seminar on Mirror Data Analysis held on 17th September 2024 in Ebène. The seminar aimed to empower Customs staff with innovative techniques that enhance operational effectiveness and highlight potential risks associated with trade practices.

In his keynote address, Mr. Lal emphasized that since 2012, Mauritius has used Mirror Data Analysis to examine trade practices and identify suspected fraudulent activities that might lead to revenue loss. He shared examples of recent analyses, including bilateral trade evaluations between China and Mauritius for 2018/2019 and cigarette imports from Kenya to Mauritius for 2022/2023. These assessments not only enhance risk management but also strengthen customs control, ensuring enhanced integrity and efficiency, Mr. Lal said. He highlighted that the findings from these analyses will allow MRA Customs to establish risk indicators for future shipments, thereby pre-emptively mitigating revenue fraud.

Mr. Lal emphasised the need for a targeted approach in customs control, given the overwhelming volume of global trade transactions. "To effectively manage risks and ensure thorough controls, customs administrations must modernize operations and adopt innovative practices," he stated.

The benefits of Mirror Data Analysis outlined by Mr. Lal include capacity building through data collection, strategic-level revenue estimation, procedural adjustments in response to identified fraud, and performance evaluation of customs operations. The Director-General exemplified that countries like Ivory Coast, Cameroon and Senegal have successfully integrated this analytical approach to enhance their customs processes.

ENHANCING TRADE FACILITATION AND BORDER SECURITY:

During the seminar, Mr. Lal emphasized the role of MRA Customs in fulfilling its mandate to facilitate trade while ensuring border security and protecting Mauritian society from transnational crimes and terrorism. To achieve these objectives, MRA Customs has undertaken significant modernization efforts, automating processes and implementing advanced technologies. On this score, he cited investments such as X-ray scanners for the efficient inspection of containers and luggage, whole-body scanners for enhanced security, and body-worn cameras for MRA officers to improve accountability. Mr. Lal highlighted that drones, patrol boats, and sniffer dogs enhance these capabilities, while CCTV systems improve surveillance.

Moreover, MRA Customs has established modern practices such as risk management and post-control audits within its clearance processes. The establishment of a dedicated risk management section and the utilization of a robust Customs Management System enable the agency to effectively assess and mitigate risks, thereby enhancing overall operational efficiency. The Director-General concluded that these initiatives not only simplify trade processes for MRA Customs but also strengthen its commitment to national security and public safety.



SUSTAINED COLLABORATION:

MOU BETWEEN THE MAURITIUS REVENUE AUTHORITY AND THE MINISTRY OF AGRO-INDUSTRY AND FOOD SECURITY

The Mauritius Revenue Authority (MRA) and the Ministry of Agro-Industry and Food Security (MOA) signed a Memorandum of Understanding (MoU) to improve cooperation in the collection of fees for controlled goods, this month. The agreement was signed by MRA's Director-General, Mr. M. Sudhamo Lal, and MOA's Permanent Secretary, Mrs. Indira Rugjee.

The MoU clarifies roles in information sharing and fee collection, allowing MRA to collect fees for permits, licenses, and registrations related to controlled goods, with timely remittance to the Accountant General. It also mandates MOA to provide MRA with updated

lists of controlled goods and ensure compliance with the Animal Disease Act. The Coordinated Border Management Unit (CBMU) will enforce this collaboration as per the Customs Act.

To conclude, the signing of the Memorandum of Understanding (MoU) between the Mauritius Revenue Authority (MRA) and the Ministry of Agro-Industry and Food Security (MOA) marks a significant step forward in strengthening collaboration between the two entities, which will ultimately enhance the efficiency of tax collection and boost the agricultural sector.



MAURITIUS REVENUE AUTHORITY'S DUAL MANDATE:

AMOUNTS DISBURSED BY 26 AUGUST, 2024 UNDER THE VARIOUS FINANCIAL ASSISTANCE SCHEMES

The Mauritius Revenue Authority (MRA) plays an important role in the country's economic landscape through its dual mandate: efficient revenue collection and the provision of financial assistance schemes. The cumulative payments effected in 2024/25 as at 26 August 2024 are as follows:

SCHEMES	AMOUNT DISBURSED
Prime à L'emploi	Rs 158.5 M
Additional Subsidy to Bakeries	Rs 9.7 M
CSG Child Allowance	Rs 193 M
Adulthood Independence Allowance	Rs 43.8 M
Housing Loan Relief Scheme	Rs 30.8 M
CSG School Allowance	Rs 207 M
Financial support to Operator for Gas Oil - Diesel	Rs 8.3 M
Assistance for National minimum wage	Rs 64.6 M
Assistance for salary compensation	Rs 99 M
Maternity Allowance	Rs 4.9 M
Pregnancy Care Allowance	Rs 6.6 M
Assistance Power Cuts by Belal Cyclone	Rs 1.9 M
Revenu Minimum Garantie	Rs 53.1 M
CSG Income Allowance	Rs 1.769 Bn
Damaged Road Assistance Scheme	Rs 2.6 M
Negative Excise Duty	Rs 38.8 M paid to 194 beneficiaries

MRA'S EDUCATIONAL SESSIONS:

EMPOWERING CITIZENS ON TAX AND FINANCIAL ASSISTANCE SCHEMES

Educating taxpayers is essential for promoting voluntary compliance, and the Organization for Economic Cooperation and Development (OECD) underscores its significance. OECD advocates for taxpayer education as a fundamental strategy to improve compliance rates and raise awareness about the benefits of fulfilling tax responsibilities. With this objective in mind, the Mauritius Revenue Authority (MRA) conducts regular educational sessions aimed at enhancing the understanding of tax compliance among stakeholders, students, and the public at large. These initiatives play a vital role in promoting a culture of transparency and accountability, ensuring that individuals and businesses are well-informed about their tax obligations.

Members of MEXA apprised on payroll and social contributions



On September 11, 2024, Mrs. Bavinta Lingiah-Sunassee and Mrs. Mokshada Devi Beegan-Gangaram, Team Leaders from the Operational Services Department at the Mauritius Revenue Authority (MRA), conducted an informative educational session at the Mauritius Export Association (MEXA) office in Port-Louis. The primary objective of this session was to enhance participants' understanding of several critical topics related to payroll and social contributions, which are essential for both employers and employees in the current economic landscape.

During the session, Mrs. Lingiah-Sunassee and Mrs. Beegan-Gangaram covered a range of pertinent subjects. Among these were discussions on the National Minimum Guaranteed Income, the Portable Retirement Gratuity Fund, the National Savings Fund (NSF), and the Pay As You Earn (PAYE) system, which facilitates the withholding of income tax from

employees' salaries. The session also addressed the Contribution Sociale Généralisée (CSG), which plays a crucial part in funding social security benefits.

Additional topics included LEVY, a tax aimed at raising funds for specific government initiatives, as well as the Negative Income Tax, designed to support low-income earners by providing them with financial assistance.

Mrs. Lingiah-Sunassee and Mrs. Beegan-Gangaram highlighted the importance of the Return of Employees and the necessity for accurate employee declarations for maintaining compliance with existing regulations.

Members of Business Mauritius sensitised to recent amendments in tax legislation

In response to a request from Business Mauritius, the Mauritius Revenue Authority (MRA) conducted a series of informative briefing sessions on the amendments to the Income Tax Act, VAT Act, and MRA Act as outlined in the Finance (Miscellaneous Provisions) Act 2024. These educational sessions took place over two days, on September 18 and 19, 2024, aimed at equipping members of Business Mauritius with essential knowledge about the recent changes in tax legislation.

The sessions featured key speakers from MRA, including Mr. Dhanraj Ramdin, Director of the Medium & Small Taxpayer Department; Mr. Mahmad Noor Oozeer, Director of the Operational Services Department; Mr. Deoraj Juggoo, Section Head at the Large Taxpayer Department and Mr. Amal Lolljee, Section Head at the Medium & Small Taxpayer Department.

Several vital topics were covered during the sessions, including Financial Assistance Schemes, the Prime à L'Emploi scheme, the Payment of National Minimum Wage and Salary Compensation, the Contribution and Tax Arrears Settlement Scheme (CTASS), and the CSG Income Allowance, among others. MRA's educational sessions with Business Mauritius help businesses better understand the new tax laws, making it easier for them to comply with the rules. This is essential for promoting a strong and knowledgeable business environment in Mauritius.

Associations interested in attending the MRA educational sessions can contact the Taxpayer Education and Communication Department at tecd@mra.mu for more information.

STRENGTHENING BORDERS:

MRA'S FIGHT AGAINST DRUG TRAFFICKING

The Mauritius Revenue Authority (MRA) plays an important role in safeguarding the borders of the Republic of Mauritius. With a commitment to improving and enforcing customs regulations and facilitating legitimate trade while effectively combating drug-related crimes, MRA takes suite in various enforcement operations. A recent case highlights their dedication to these responsibilities.

On September 1, 2024, MRA demonstrated its stance in border protection by seizing approximately 440 grams of Khat leaves, valued at Rs 528,000 at the Sir Seewoosagur Ramgoolam International Airport. This significant seizure stemmed from the meticulous work of the MRA Customs Anti-Narcotics Section (CANS) Officers, who had recourse to established risk profiles to target the passenger during her departure through the green channel.

Upon conducting a thorough examination of the passenger's registered luggage, CANS Officers discovered a plastic bag containing a green leaf matter suspected to be Khat leaves.

This seizure is not just a random act of enforcement; rather, it reflects a strategy that incorporates intelligence, risk profiling, and thorough inspections to thwart the flow of illegal drugs into and out of the country.

Following the seizure, MRA promptly handed the consignment over to the Anti-Drug and Smuggling Unit (ADSU) for further investigation.



MRA emphasizes the essential role of the community in this fight against drugs. It encourages members of the public to be vigilant and report any suspected drug cases or illicit activities that they may encounter. To this end, MRA has put in place a Stop Drug Platform (www.mra.mu) and a dedicated hotline (8958) to facilitate the reporting process. This open line of communication empowers citizens to become active participants in the prevention of drug-related crimes, further strengthening MRA's efforts to safeguard Mauritian society.

Khat is illegal in Mauritius

The Khat that is sold and abused typically consists of the leaves, twigs, and shoots of the Khat shrub. This flowering evergreen shrub contains two active ingredients: cathine and cathinone.

Khat is native to East Africa and the Arabian Peninsula, and its effects are similar to those of other stimulants, such as cocaine, amphetamine, and methamphetamine.

The chemicals found in Khat are controlled under the Controlled Substances Act. Cathine is a Schedule IV stimulant, and cathinone is a Schedule I stimulant under the Controlled Substances Act, meaning that it has a high potential for abuse.



MRA IN THE MEDIA:

ENHANCING TAX COMPLIANCE THROUGH RADIO AND TV PROGRAMMES IN MAURITIUS

The Mauritius Revenue Authority (MRA) improves tax compliance through comprehensive outreach programmes on radio and television.

This month, MRA conducted 73 radio interventions, and one TV intervention. 21 'One-Minute Radio Programmes' were on Kool FM, MBC Radio, and Rodrigues FM. Topics covered in these broadcasts

included key subjects like Financial Allowance, e-Filing, and Salary Relativity, which are important for understanding taxes in Mauritius. The engaging content helps listeners retain information and encourages them to file their taxes on time and avail themselves of the various financial assistance schemes if they are eligible.





DID YOU KNOW?

INTERESTING FACT

Equal Chance Allowance: Rs 2,000 per month

This month, the Mauritius Revenue Authority (MRA) has launched the Equal Chance Allowance, a new financial assistance scheme announced in the 2024/2025 Budget Speech. This scheme aims to support vulnerable households and contribute to the reduction of inequalities within the community.

The scheme provides Rs 2,000 per month to households with a monthly income not exceeding Rs 20,000.

Eligibility criteria

Eligible beneficiaries are those who meet the criteria defined by MRA, with the application process now open on the authority's website, www.mra.mu. A household is defined as a group of individuals residing together under the same roof, linked by blood, marriage, or legal relations, and must include at least one dependent child or a bedridden next of kin.

Household Earnings

Household earnings comprise the combined monthly income of all members, including salaries, net business income, social benefits, pensions, and any other allowances under the Social Contribution and Social Benefits Act.

The responsible adult member of the household must apply for the allowance, providing their bank details for a dedicated account either held solely in their name or jointly with another individual. Payments will be made directly to this account.

Beneficiaries who are not eligible

Households with a monthly household earning exceeding Rs 20,000, are not eligible for this Allowance.

Additional information on the Equal Chance Allowance

1. The Equal Chance Allowance will be disbursed starting

from July 2024 through June 2025.

2. No applications will be accepted after December 31, 2025.

3. If an eligible applicant submits its application in a specific month, MRA will pay the Equal Chance Allowance for the eleven consecutive months immediately preceding that month, provided that the allowance will not be paid for any months prior to July 2024.

4. If a beneficiary is determined to be ineligible for the allowance for a month in which they have already received payment, MRA may issue a claim to the individual to recover the amount disbursed. The individual will be required to repay this amount to MRA within 28 days of receiving the claim.

5. The Director-General may request any information or documents from an adult member of a household, no later than one year after the payment of the Equal Chance Allowance, to verify the accuracy of the information provided.

6. If a false declaration is made to MRA to secure an undue benefit from the Equal Chance Allowance, or if an individual refuse to provide requested information or submits false information, they will be committing an offense. Upon conviction, they may be subject to a fine not exceeding Rs 50,000 and a term of imprisonment not exceeding 2 years.

7. The Director-General shall authorize payment of the Equal Chance Allowance based on the information provided in the application and any other relevant information accessible to them.

8. If a false declaration is made, or if any erroneous payment has been effected by MRA, the excess amount may be automatically recouped from future payments, or recovered if the applicant is no longer eligible.



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