

Integrated Annual Report

2020/21



15 Years of Commitment
**Dedication
& Innovation**





Our Vision

To be a world class Revenue Authority respected for its professionalism, efficiency, fairness, integrity and its contribution to our economic and social development.

Our Mission

To continually reform and modernise Revenue Administration in order to manage and operate an effective and efficient Revenue organisation comprising of highly motivated and skilled staff.

Our Core Values

Integrity – MRA upholds the highest standards of integrity and honesty so as to gain the respect and confidence of taxpayers, stakeholders and the public at large.

Responsiveness – MRA endeavours to provide a prompt, efficient, effective and quality service to taxpayers, stakeholders and the public at large in an effort to exceed their expectations.

Fairness – MRA is committed to apply revenue laws impartially and objectively and treat everyone in an equitable manner.

Transparency and Accountability – MRA efforts are geared towards the development of the Authority in a manner which promotes a transparent and accountable administration.

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CHAIRPERSON'S FOREWORD

I feel honoured as the Chairperson of the MRA Board, to present, on behalf of the Board Members, the MRA's Integrated Annual Report for the period 1 July 2020 to 30 June 2021.

The financial year under review was marked by the adverse impact of the COVID-19 outbreak. In the recent budget publications, the Ministry of Finance, Economic Planning and Development has estimated that the Mauritian economy would register a negative real growth of 5.4% during the fiscal year 2020/21. But, we are not an exception in this globalised world. Advanced economies, emerging markets and Latin America have all lost, on average, at least 6.5% of their GDP in 2020 due to the pandemic.

In a normal year, the tourism industry contributes to some 8.1% of our GDP, brings total earnings of Rs 40 billion to the economy and contributes to at least Rs 7.5 billion of tax receipts to the MRA. The closure of our borders, restriction on flights and sanitary protocols, including compulsory quarantine for incoming passengers, has impacted severely on MRA's revenues from the tourism sector. In fact, in FY 2020/21, MRA tax receipts from the tourism sector was only Rs 1.1 billion which is a major shortfall and explains almost entirely the reduction in total MRA tax receipts for the Consolidated Fund from Rs 84.3 billion in FY 2019/20 to Rs 78.3 billion in FY 2020/21.

Despite the severe disruption in economic activities which has affected performance on various fronts, I share the view that we must reflect on the "positives" during the financial year that has just ended. At the MRA, there has been positive performance through the collection of at least Rs 3 billion of revenue over and above the revised revenue estimates. The amount of assessments raised has again exceeded the Rs 7 billion threshold after falling to a mere Rs 1.7 billion in the preceding year and the MRA has implemented the Government Wage Assistance Scheme (GWAS) and Self Employed Assistance Schemes (SEAS) throughout the whole year to the satisfaction of most stakeholders.

I must congratulate MRA Management for the efficient operations of the SEAS and GWAS during the lock down of March 2021, implementation of the Schemes on an ad-hoc basis depending on regions identified as "red zones" and on a monthly basis for operators in the tourism industry. As at 30 June 2021, the amount disbursed amounted to nearly Rs 13.2 billion, of which, Rs 7.1 billion was paid to tourism sector operators only. Effecting payment of allowances to 12,725 employers, in respect of 221,730 employees and to some 231,000 self-employed, over 12 months in a year is indeed a formidable task that has been successfully executed by MRA staff.

MRA staff have been working under various types of flexible arrangements, including working from home, to effect payment of GWAS and SEAS. At the level of MRA Customs, the front liners have ensured the seamless flow of economic transactions at the port, including the expeditious clearance



of relief consignments when the country was in COVID-19 lock down. To all the MRA staff who have performed their duties with efficiency and patriotism, I would like, on behalf of the MRA Board, to extend our heartfelt appreciation.

As we embark on yet another challenging year, the MRA will have the delicate task of mobilising enough revenues to ensure that Government can meet its socio-economic objectives. We all need to work together and with renewed vigour so that we can put our country back on the solid economic growth path and continue its modernisation process. The MRA Board will fully support the organisation in meeting the challenges ahead through expeditious decision taking and by providing strategic leadership and advice, whenever necessary.

I would like to express my sincere gratitude to all MRA Board Members, the MRA Management Team and, above all, to Mr Sudhamo Lal, Director-General for their trust, guidance and invaluable support to me as Chairperson of the MRA during FY 2020/21. My endless thanks also goes to the MRA staff for their spirit, continued commitment and determined response in serving the MRA despite the threats and challenges posed by the COVID-19 pandemic.



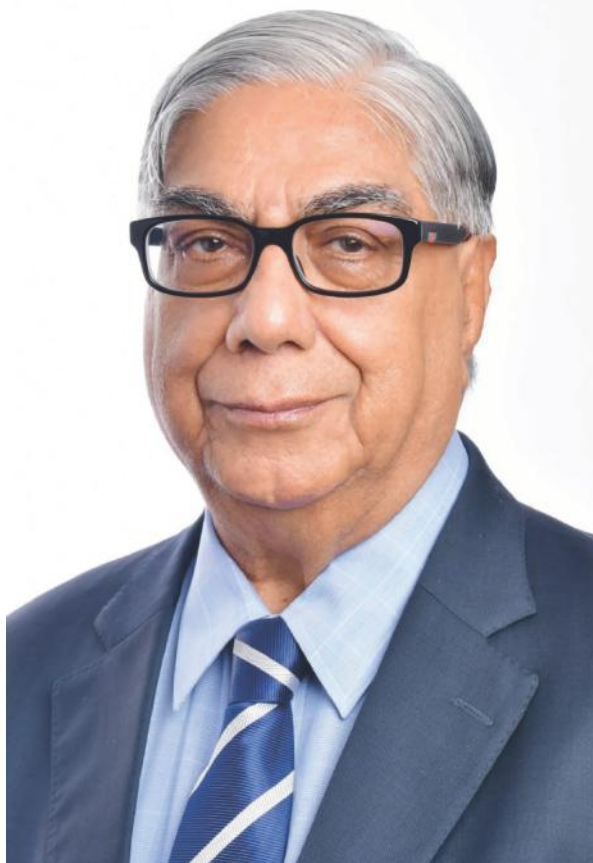
N. K. Ballah, G.O.S.K

Chairperson

DIRECTOR-GENERAL'S REVIEW

It is with great pleasure that I present the Annual Report of the MRA for the financial year ended 30 June 2021. The financial year marked a major milestone for the MRA – the completion of our fifteenth year of operations. However, the year under review proved to be quite challenging with the lock down of March 2021 and the country continuing to experience the spill-over effects of the COVID-19 pandemic on economic activities.

In FY 2020/21, MRA was called upon to continue assisting Government by providing income support to employers and self-employed under the Government Wage Assistance Scheme (GWAS) and the Self Employed Assistance Scheme (SEAS). The tourism sector was supported on a monthly basis, economic operators in identified “red zones” were assisted on an ad-hoc basis whilst in March 2021, the bulk of employers and self-employed were extended allowances under the two support schemes due to the country-wide lock down. Thus, by the end of the financial year, the MRA had paid an amount of Rs 8.9 billion under the GWAS and Rs 4.3 billion under the SEAS government support schemes.



I would like to thank the MRA Management Team and all our staff who have been involved in the processing, validation, payment and complaints handling in relation to the payment of the SEAS and the GWAS. I am aware that it has been a tedious exercise, involving hundreds of thousands of persons, who are mostly non-MRA taxpayers. But, I consider the implementation of GWAS and SEAS as the patriotic duty of each and every MRA staff and I am delighted that together, we have been able to meet such an unprecedented challenge.

As regards our main functions of collecting taxes and ensuring tax compliance, they have, as expected, been severely hit by the COVID-19 pandemic. During the year in review, the MRA collected Rs 78.3 billion for the Consolidated Fund which represents a decrease of 7.1% over the preceding year. The closure of our borders has reduced our tax collections from tourism sector by at least Rs 6.4 billion. We have also experienced a major fall of 15% in corporate income tax collections as companies affected by the pandemic reported tax losses or reduced profits.

Fortunately, collections from other taxes and contributions that are not paid into the Consolidated Fund such as social security contributions (NPF, CSG, NSF, training levy), CSR levy, Lotto Fund, etc. have registered two-digit growths resulting into total MRA receipts in FY 2020/21 amounting to Rs 89.4 billion which is only 4.6% less than the preceding year.

In terms of the core activity of the MRA which is to raise tax assessments and debt collections, there has been a mixed performance. Tax yield from assessments which had fallen to Rs 1,759 million in FY 2019/20 after exceeding the Rs 7 billion threshold in the preceding two years was back to normal with a total assessments raised of Rs 7.6 billion in FY 2020/21. On the other hand, debt collections which had fallen to Rs 1.7 billion in FY 2019/20 has remained static in FY 2020/21 as debtors experienced financial difficulties to meet their commitments with the MRA.

During the year under review, the MRA also met the challenge of implementing the Contribution Sociale Généralisée (CSG) which replaced the NPF contributions. It was a challenging task for the MRA as employers and employees were accustomed to the NPF contributions which had been in place for several decades. Our simplified electronic returns, e-payment facilities, dedicated awareness and educational campaigns in the mass media and in-house customer service have ensured a smooth transition with almost all stakeholders meeting their CSG obligations and total CSG contributions reached Rs 5.2 billion by the end of the financial year. Although there was a 13% growth in receipts from the CSG from private sector contributors, an analysis of collections revealed that 77% of employers and 88% of employees were liable to pay less under the National Pensions Fund.

Since the inception of the MRA, we have been actively promoting our online and digital services to enhance the taxpayers' journey with us. As we reflect on our achievements after the completion of 15 years of operations, the performance in terms of e-filing and e-payment tops all the charts. Today, we have already reached almost 100% e-filing for all taxes whilst e-payment is at 97%. Our non-cash collections, is even better at 99.8% of total proceeds. Indeed, we have virtually achieved our dream of making the MRA a cashless organization.

The preparation of the Annual Report after the close of a financial year allows us to better analyse our achievements in terms of some key parameters and to pave the way forward. For the financial year ended 30 June 2021, some of our other achievements were as follows:

- Providing assistance to taxpayers to file their income tax returns, whilst ensuring there is no breach of sanitary provisions, through the introduction of e-FITA. E-FITA provided taxpayers with the option of fixing an appointment at a date convenient to them on WhatsApp and benefit from virtual assistance to fill in their tax returns;
- Ensuring that we meet our commitments with the OECD in respect of international taxation issues and remain on the "positive" lists of the OECD and the European Union in so far as taxation is concerned;
- Issuance of 94% of Personal Income Tax refunds within 10 days;
- Effecting 97% of VAT repayment to large taxpayers within 10 days and almost 100% repayment to small and medium taxpayers within 20 days;
- Following MRA's compliance monitoring initiatives, 4,164 returns were received from non-filers which brought in an additional Rs 45.2 million of tax revenue;
- 28 tax and Customs cases have been referred for prosecution as they relate to several offences under the Revenue laws;
- The recently set up AML/CFT Unit has referred 18 cases of taxpayers where there is suspicion of money laundering activities to ICAC for investigations;
- Several cases where the MRA has come across suspected illegal betting activities, during its field and desk inspections, have been sent to the Police des Jeux for enquiry and in one particular case it appears that bets exceeding Rs 1.6 million had been placed during one race meeting;
- The Organisational Integrity Index (OII), obtained by the MRA through a national survey

conducted among its stakeholders has improved from 73.9 in 2016 to 76.3 in 2019/20;

- Customs officers were equipped with body worn cameras for better verification and supervision of imported consignments;
- 32 Auctions were held at the Customs generating Rs 21.6 million; and
- Narcotics with a street value of Rs 332 million were seized.

During the FY 2020/21, to cope with the challenges of the COVID-19 pandemic, the MRA shifted to work from Home during the lockdown and other instances when the situation required for it. It has been a difficult year on various fronts but we are convinced that as an organization we have been doing our level best, given the circumstances.

As we forge ahead to a new financial year, the challenges will be again numerous including adapting to the new normal led by the COVID-19 pandemic. In the next year, our Customs clearance operations shall be performed from a new building namely the Integrated Customs Clearance Centre at Plaine Magnien where our stakeholders will benefit, as from February 2022, from a one-stop-shop service. Another major project that will be under implementation during the next financial year will be the e-invoicing which, upon completion, is expected to trigger substantial improvement in VAT compliance.

MRA's ability to handle the challenges that arose during the FY 2020/21 was only made possible by its people. Through their adaptability and unflinching spirit to deliver beyond expectations, we, as an institution, were able to meet our commitments to the nation. We were also able to achieve this despite the fact that, almost overnight, we needed to adjust to a largely remote working environment and carry on our normal business operations. Our people rose magnificently to these challenges and we thank each and every one of them for their steadfast commitment, professionalism and resourcefulness during the FY 2020/21.

Above all, bearing in mind the unprecedented circumstances in which we are operating, I am thankful to the MRA's Board Members for the direction and support towards navigating the organisation along the path of innovation and success. I am also grateful to my management team whose guidance and continuous support have helped me build an organization that portrays a positive image among our different stakeholders. By working hand in hand, I firmly believe that we shall overcome any challenges that the Authority may come across and continue towards making Mauritius a better place to live.

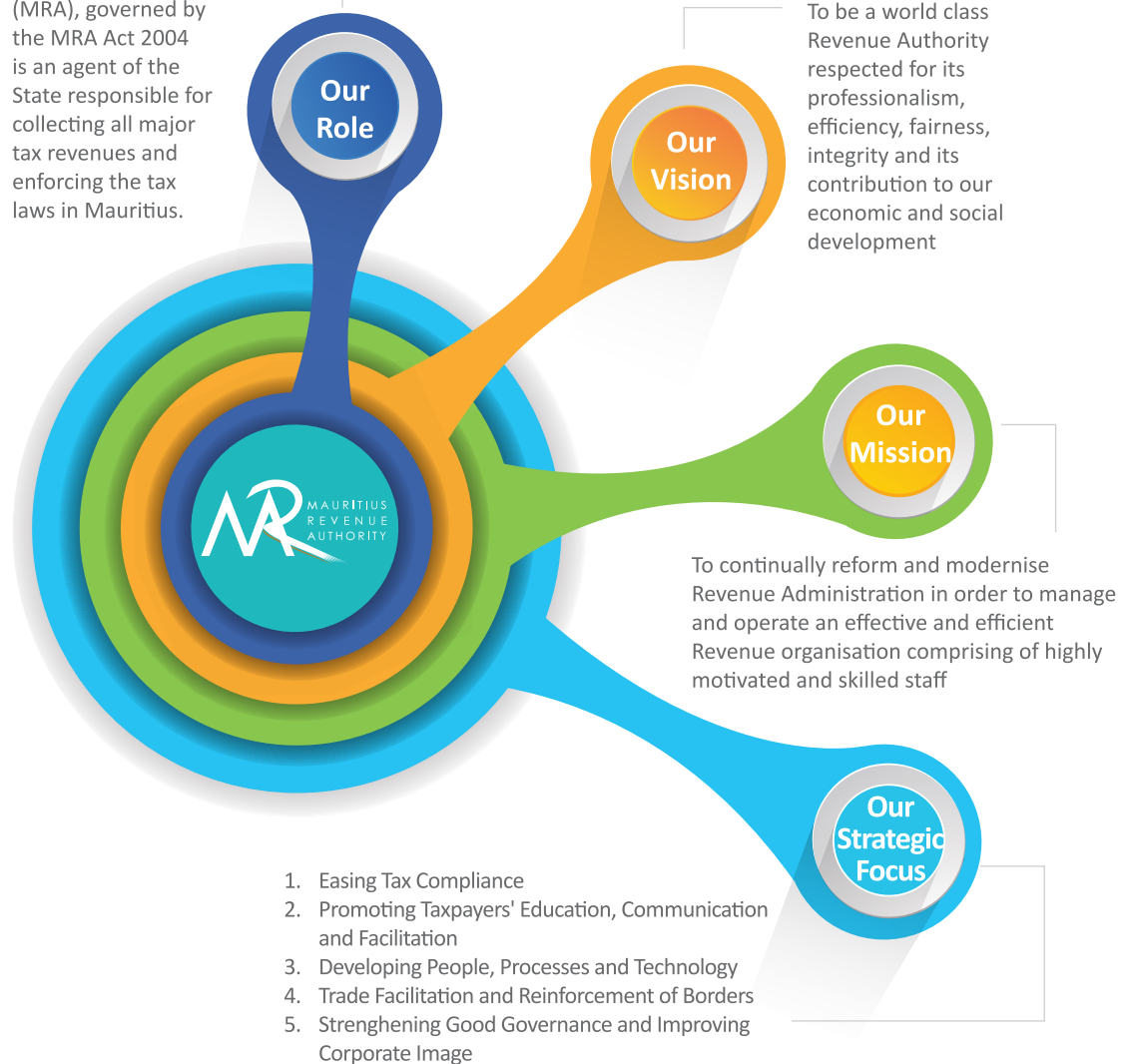


M. S. Lal, C.S.K

Director-General

WHO WE ARE

The Mauritius Revenue Authority (MRA), governed by the MRA Act 2004 is an agent of the State responsible for collecting all major tax revenues and enforcing the tax laws in Mauritius.



Our Core Values

Integrity

MRA upholds the highest standards of integrity and honesty so as to gain the respect and confidence of taxpayers, stakeholders and the public at large.

Responsiveness

MRA endeavours to provide prompt, efficient, effective and quality service to taxpayers, stakeholders and the public at large in an effort to exceed their expectations.

Fairness

MRA is committed to apply revenue laws impartially and objectively and treat everyone in an equitable manner.

Transparency and Accountability

MRA efforts are geared towards the development of the Authority in a manner which promotes a transparent and accountable administration.



TAXPAYER'S CHARTER





MRA Quality Management System



Mauritius Revenue Authority
MS ISO 9001:2015 certified
RF 121

ISO 9001 certified
since 2012

MS ISO 9001:2015
version

Some 250
Standard
Operating
Procedures for all
MRA core
functions

Around 170
Quality Objectives
being monitored

Dedicated Quality
Management
Team for regular
Internal Audit

Yearly
Surveillance Audit
by Mauritius
Standards Bureau

Recertification
Audit every 3
years, last one in
July 2021

QUALITY POLICY STATEMENT

The MRA is committed to provide **high quality, innovative, timely and efficient services** in the operation and management of an effective and efficient revenue raising organisation.

We will consistently aim at meeting or exceeding stakeholders' needs and expectations in a **just, fair, transparent and accountable** manner.

In pursuit of this commitment, we shall continue to **promote tax compliance** through education & communication, **facilitate trade**, and **ensure border & society protection**.

We shall endeavour to foster a **safe, healthy and harmonious environment** that motivates our people to cooperate and contribute consistently towards achieving MRA's goals and objectives.

The MRA will thus **continually improve** the effectiveness of its **Quality Management System** and comply with applicable requirements.

Sudhamo Lal, C.S.K
Director-General, MRA

04 July 2017

Commitment beyond Revenue

Integrity | Responsiveness | Fairness | Transparency and Accountability

INTEGRITY POLICY STATEMENT

MRA's obligations

Integrity will prevail in every decision making process at MRA with a view to providing an accountable, transparent, equitable and fair service to our stakeholders.

We will

Not solicit or accept any gift, benefit or any offer of hospitality.

We have

To act within the parameters of the law and the principles of the MRA Code of Conduct and Ethics.

We shall

Ensure the protection of employees, stakeholders and public who report malpractices and unethical behaviours of our staff.

We shall ensure

Good Governance in the management of the organisation

We are

Resolute to condemn and take appropriate action against any illegal or criminal acts or acts in violation of our Revenue Laws, Rules and Policies.

We will

In our day to day dealing with stakeholders, act within our area of responsibility and competence and as far as possible ensure that our stakeholders and their representatives receive the correct information.

We are going

To be fair and impartial in the assessment of tax/duties and not let any conflict of interest compromise the professional discharge of our duties.

We will ensure that

You will always find us adopting the highest standards of integrity in all our operations and delivery of services to our clients and stakeholders.

Stakeholders' obligations

Integrity must be at the forefront of your positive relationship that you maintain with the MRA.

We rely on you for

Not falsifying your tax returns or Customs declaration or give such false or misleading information or data with a view to misleading the MRA.

We expect you

To comply with the laws and regulations of the MRA and to work within its legal framework.

We expect you to

Ensure that you will never misuse your authority or position or status for your personal gain and interest or the interest of those connected to you when dealing with the MRA.

We expect you to

Give the assurance that you will disclose to the MRA any situation of conflict of interests or situation that may be seen by others to affect impartiality in decision making by the MRA.

We expect you to

Report to the MRA or other relevant authorities any situation where you have been solicited or attempted to be solicited for a bribe with a view to obtaining any favour or benefit of any kind.

We expect you to

Impress on your close associates or representatives or advisers dealing with the MRA not to engage in any type of corrupt practices.

We expect you

To provide the requested documents as and when required in order to enable the MRA to give you the highest standards of service.

We rely on you to take the engagement that

You will always adopt a culture of utmost integrity during your dealings with the MRA



MRA GENDER STATEMENT



The MRA is fully committed to promote a diverse workforce and an inclusive culture where its people are valued, motivated, and empowered to contribute to the achievement of its objectives.

The commitment of the MRA to be an Equal Opportunity Employer is already spelt out in its Human Resource Management Manual.

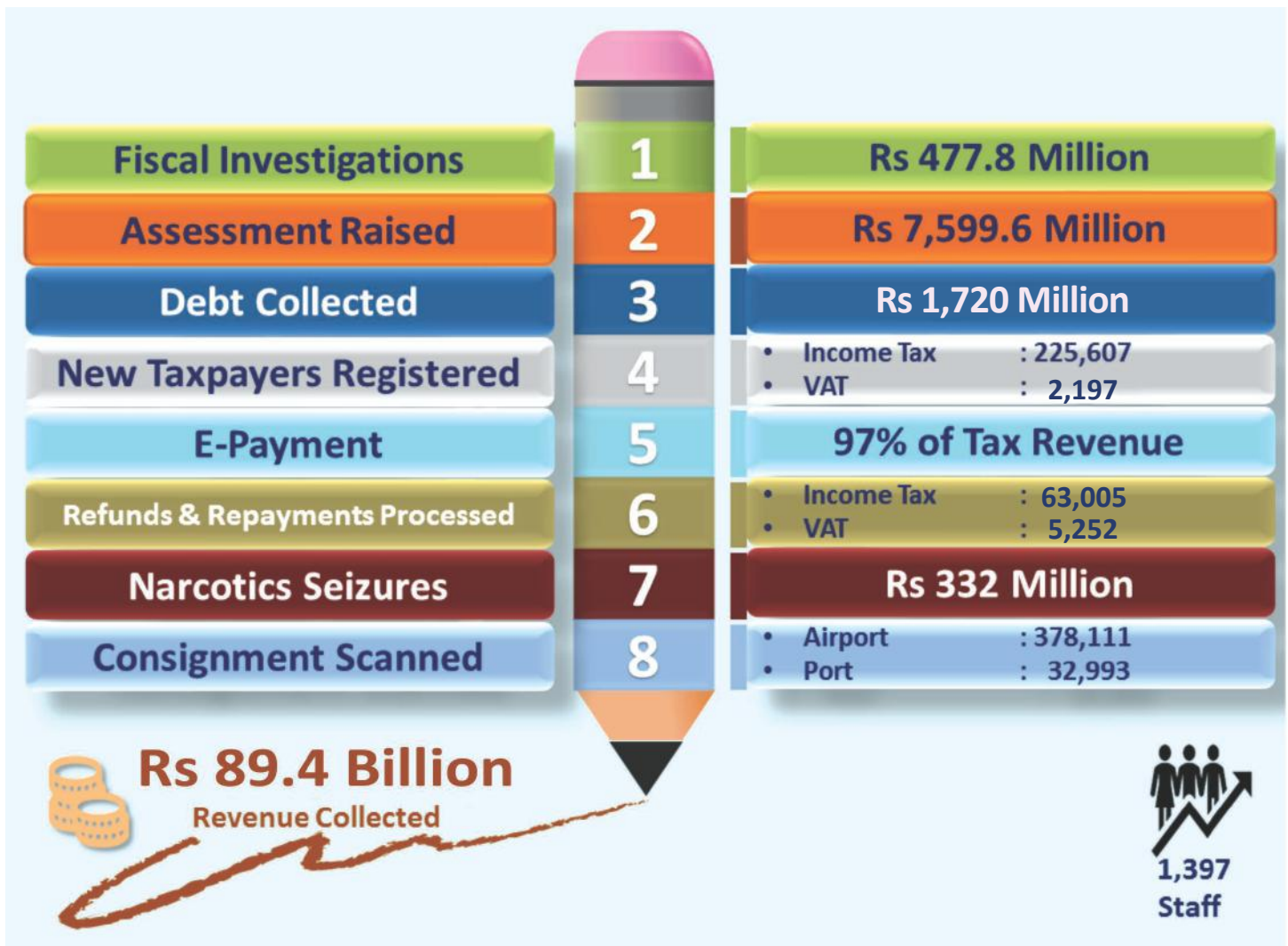
This has been further strengthened with the implementation of the MRA Equal Opportunity Policy whereby the MRA reiterates its engagement to make best use of its people regardless of their colour, creed, caste, ethnic, origin, impairment, age, gender, sexual orientation, marital status or political opinion. Gender equality is, therefore, already embedded in the MRA Equal Opportunity Policy.

In this respect, policies, procedures and measures are in place to harness the potential of everyone, regardless of gender, by:

- Attracting, developing and retaining the right people with the necessary capabilities,
- Ensuring all genders are equally included, valued, empowered and rewarded,
- Fostering an environment of authenticity and openness which allows all employees to fully participate and have every opportunity to succeed,
- Promoting a supportive work environment and providing appropriate flexible work options for all employees to balance professional and personal commitments, and
- Having a Gender Focal Point in the MRA to feed information pertaining to gender issues, to Management.

The MRA will continue to encourage a culture whereby all its employees are treated in an equitable and fair manner regardless of gender.

1. THE MRA AT A GLANCE – 2020/21



2. OUR INTEGRATED BUSINESS MODEL & ENVIRONMENT SCANNING

2.1. Our Integrated Business Model



2.2. Environment Scanning

2.2.1. Global Economic Environment

Throughout 2020/21, COVID-19 continued to affect global markets, with no economy being spared from the economic impacts of the pandemic. What had started as a sanitary crisis in the end of 2019 became a global multidimensional crisis with many countries going into a lockdown. This led to world activities coming to a standstill and many economies experiencing a recession after years of positive growth as they move from their first to their second or third wave of the pandemic.

With the rapid rollout of the COVID-19 vaccination in the large economies, namely US and China, the global growth outlook has improved considerably. Following the reopening of the US economy at the back of an accelerated vaccination campaign and two large fiscal packages adopted in late 2020/early 2021 which include large infrastructure plans, the IMF predicts the US economy to grow by 6.2% in 2021, the highest growth rate ever achieved since 1966. China is also experiencing positive growth aided mainly by buoyant global demand for raw materials and a robust domestic demand.

While the World Bank expects growth among emerging and developing countries to be around 6% in 2021 backed by higher international commodity prices and increased external demands, recovery is expected to be uneven across and within regions mainly because recovery can be hampered by resurgences of COVID-19 contaminations, limited access to COVID-19 vaccinations and the withdrawal of government policy support. It is expected that for most countries, economic output will remain lower than 2019 levels and unless governments continue to provide fiscal aid to affected sectors to boost demand and local consumption, many of the countries will continue to face low and stagnant growth. Travel restrictions have negatively impacted tourism dependent economies and with the slow normalisation of international travel, the short term growth prospects of these economies sounds bleak compared to manufacturing and construction sectors which is already showing recovery signs.

COVID-19 has led to inflationary pressures on the economy of several countries due to higher food prices, but it is expected that governments shall through the necessary monetary measures contain the inflation rate within a targeted range.

2.2.2. Our Economic Environment

Like most countries, Mauritius has not been spared by the COVID-19 pandemic. Due to the lockdown and the closure of our borders in March 2020, many of the key sectors such as tourism, manufacturing and trade industries got impacted. While the second half of 2020 saw the re-opening of many businesses, tourism related activities were at a standstill. Support from the Government of Mauritius and the Bank of Mauritius through fiscal packages, creation of the Mauritius Investment Corporation (MIC) and the easing of monetary policies helped to support those economic operators from going bankrupt. In March 2021, an outbreak in the domestic transmission led to a second lockdown in Mauritius, although the second lockdown was less strict and much shorter from the one implemented a year ago. A summary of the main happenings within the Mauritian domestic environment for the FY 2020/21 can be summarised as follows:

- Mauritius experienced a contraction of around 15% in 2020 driven mainly by declines in production, household consumption and investment while headline inflation is expected to be at 2.5% due to a rise in commodity prices.
- Travelling quarantine policies implemented during the first lockdown were extended throughout the financial year whereby tourists and Mauritians entering the country had to quarantine in a government approved hotel for a set period of time. In October 2021, a phased opening of the country to international travellers is expected whereby no quarantine period

will be needed for vaccinated guests, border restrictions will be eased with comprehensive testing on arrival in Mauritius.

- To boost consumption and stimulate the economy, in its 2020/21 budget, the Government allocated more than Rs 40 billion towards major infrastructure projects. Following on this spending trend, in its 2021/22 budget, the Government further allocated Rs 65 billion to infrastructure projects relating to land drainage, improving the road structures, building additional sports/ recreational facilities and social housing for the underprivileged.
- Lockdowns worldwide saw a decrease in world trade, leading to a scarcity of basic necessities worldwide. As Mauritius is highly dependent on the global economy for its business operations and food, an increase in freights coupled with the depreciation of the rupee, saw the island facing price pressures with the prices of many commodities going up. The Government had to intervene to subsidise the prices of certain commodities to make the goods affordable to the population at large and to maintain the inflation rate at an acceptable level.
- COVID-19 has seen a change in the consumption pattern of Mauritians as they tend to spend more on essential goods and less on transportation and recreational services. Over the past year, the Mauritian Rupee has depreciated by more than 10% vis-à-vis its major trading currencies. With the lower inflows arising from tourism, manufacturing and real estate, the Central Bank has had to use from its reserves to support local demand but this measure cannot be sustainable in the long run.
- To prevent a steep rise in unemployment, the government kept extending the wage support schemes to affected sectors.
- While the tourism sector has been adversely affected by the pandemic, ICT and related industries have been able to pull their weight to support the economy of the country. As most of them are export oriented, they have been able to contribute positively despite the depreciation of the Mauritian currency.
- In the face of declining revenue and pressing social spending needs, the fiscal deficit has widened. According to Statistics Mauritius, as at June 2021, the provisional public sector net debt as a percentage of GDP stood at 78.2%.
- It is expected that in the coming months, Mauritius will move a step closer towards exiting the Financial Action Task Force's grey list as it has already completed the action plan and an on-site assessment is impending to verify whether the implementation of Mauritius' AML/CFT reforms have started and is being maintained.

Mauritius will continue to face significant challenges in the second half of 2021 and into 2022 but with the opening of borders in October 2021 and with world trade picking up, we expect the road to recovery to be asynchronous yet positive to the economy.

3. OUR VALUE CREATION PROCESS

INPUTS

Financial Capital

- Grant from Ministry of Finance, Economic Planning and Development

Intellectual Capital

- Strong IT culture and Innovation Capacity
- Performance Oriented Organisation
- Standard Operating Procedures (SOP) for all processes
- Strategic directions from the MRA Board
- International Benchmarking Practices
- Research and Planning

Human Capital (1,397 Staff)

- Strong executive and leadership teams
- Engaged, capable and flexible employees
- Skilled IT staff capable of shifting to Work From Home mode during crisis
- High-performance ethical culture
- Equal opportunity policies
- Well established safety and health policies

Manufactured Capital

- Our Organisational Structure
- IT and other Systems and Processes
- Physical and Digital Assets

Social & Relationship Capital

- Strong Strategic Partnerships with the business community
- Memorandum of Understanding (MoU) with several organisations
- International networking with other authorities/ institutions

OUR STRATEGIC FOCUS

- Easing Tax Compliance
- Promoting Taxpayers' Education, Communication and Facilitation
- Developing People, Processes and Technology
- Trade Facilitation and Reinforcement of Borders
- Strengthening Good Governance and Improving Corporate Image



OUR PRODUCTS

Taxes for Government

- Corporate Tax
- Personal Income Tax
- Tax Deduction at Source
- Value- Added Tax
- Customs Duties
- Excise Duties
- Taxes on Gambling
- Passenger Fees
- Passenger Solidarity Fees
- Environment Protection Fees
- Advertising Structure Fee
- Special Levy on Banks
- Special Levy on Telecommunication

Agency Taxes

- National Savings Fund (NSF) Contributions
- HRDC Training Levy
- Lotto Fund
- National Corporate Social Responsibility Foundation
- Responsible Gambling and Capacity Building Fund
- Workfare Program Fund
- Mauritius Cane Industry Authority
- Contribution Sociale Généralisée (CSG)

Social Benefit Payments

- Negative Income Tax Allowances
- Special Allowances

Other Services

- Self-Employed Assistance Scheme (SEAS)
- Government Wage Assistance Scheme (GWAS)
- Refunds Income Tax / VAT

OUR CHANNELS

- MRA Hotline/Call Centre
- MRA Website
- Taxpayer Portal
- E-Services
- Customer Service Desks
- FITA centres
- Mobile Application
- Infohighway
- Twitter

OUR CAPABILITIES

- Tax/Customs Risk Management
- K9 Unit
- Anti-Money Laundering Unit
- Customs Anti-Narcotics Section
- Fiscal Investigation Department
- High Net Worth Individual Unit
- Small and Medium Enterprise (SME) Unit
- Non-Filers Unit
- International Tax Unit
- Training Academy
- Skilled and Dynamic workforce
- Non-Intrusive Instruments (e.g., Drones, Fast-Interceptor Boats, Scanners, etc.)
- Body Worn Camera
- Flexible workforce

OUTPUTS

Financial Capital

- Tax revenue collected
- Refunds and repayments made
- Income support paid to low income earners

Intellectual Capital

- Ranked 5th in paying taxes worldwide
- MS ISO 9001:2015 accreditation achieved
- Technology driven organisation with over 90% of e-filing and e-payment achieved
- Sustained improvement in e-services through the MRA Portal

Human Capital

- Top employer of choice
- Sizeable budget allocated to training and development
- Low staff turnover ratio
- Continuous improvement in the MRA gender ratio

Manufactured Capital

- More efficient narcotics seizure
- Better efficiency in debt collection
- Audits and assessments raised on non-compliant taxpayers
- New taxpayers registered following audit/intelligence work
- Larger number of tax returns processed electronically with limited human intervention
- Enhanced data security measures

Social & Relationship Capital

- Annual blood donation at our offices
- CSR activities for the underprivileged
- Memorandum of Understanding (MoU) network expanded
- Assistance to Government through the implementation of non-tax related schemes namely GWAS and SEAS during the crisis period
- Strong links with the media for better taxpayer commitment

VALUE FOR STAKEHOLDERS

- Collecting over 90% of tax revenue for Government
- Providing key figures to government bodies for the production of National Statistics
- Fast Track Income Tax and VAT refunds
- Timely release of goods at Customs
- Deferred payment facilities for imports
- Single Window for coordinated cargo clearance
- Expansion of Double Taxation Agreement (DTA) network
- Taxpayer Education Programs (Schools, Radio, business partners, etc.)
- Publications, Guides and Brochures
- Excellent taxpayer service as shown by the Taxpayer Satisfaction Surveys
- Regular meetings with the MRA Union
- Direct assistance to self-employed (SEAS) and indirect assistance to workers (GWAS) during the COVID-19 Pandemic
- High integrity among the stakeholders

4. LEGISLATIVE, POLICY PRINCIPLES AND STANDARDS FRAMEWORK

MRA administers these Acts:

- Mauritius Revenue Authority Act 2004
- The Income Tax Act 1995
- Value Added Tax Act 1998
- Customs Act 1988
- Excise Act 1994
- Customs Tariff Act

MRA also collects taxes/levies/fees under:

- Freeport Act
- Environment Protection Act
- The Gambling Regulatory Authority Act
- The National Savings Act
- Mauritius Cane Industry Authority Act
- The Civil Aviation Act
- The Advertisements Regulation Act
- The Workers' Rights Act
- The Human Resource Development Act
- The Social Contribution and Social Benefits Act 2021
- The Covid-19 (Miscellaneous Provisions) Act 2020

Board Committees:

- Audit & Oversight / Risk Management Committee
- Corporate Governance Committee
- Tender Committee

Other Committees:

- Ministry of Finance, Economic Planning & Development
- National Audit Office
- Safety & Health Committee
- Integrity Advisory Committee
- Customs Stakeholders Forum
- Global Finance Mauritius

MRA administers these Regulations:

- The Income Tax Regulations 1996
- Value Added Tax Regulations 1998
- Customs Regulation 1989
- Excise Regulations 1994
- Income Tax (Foreign Tax Credit) Regulations 1996
- Income Tax (Negative Income Tax Allowance) Regulations 2017

Other Regulations:

- Freeport Regulations
- The Gambling Regulatory Authority (Mauritius National Lottery) (Lottery Games) Regulations
- The Advertisements Regulation (Amendment of Schedule) Regulations

MRA Internal Policies:

- Code of Conduct & Ethics – Board Members
- Code of Conduct & Ethics – General
- MRA Board Charter
- Taxpayer's Charter
- Audit Committee Charter
- Corporate Governance Committee Charter
- Integrity Policy Statement
- MRA Gender Statement
- MRA Quality Management System (QMS)
- Human Resources Management Manual

International Membership:

- | | |
|----------|--------------|
| • ATAF | • IOC |
| • CATA | • SADC |
| • COMESA | • WCO |
| • IMF | • World Bank |

5. OUR STAKEHOLDERS



Intermediaries and Partners

1. Banking Institutions
2. Financial Institutions
3. Economic Development Board
4. Financial Services Commission
5. MEXA
6. Gambling Regulatory Authority
7. Legal Partners
8. Tax Professionals

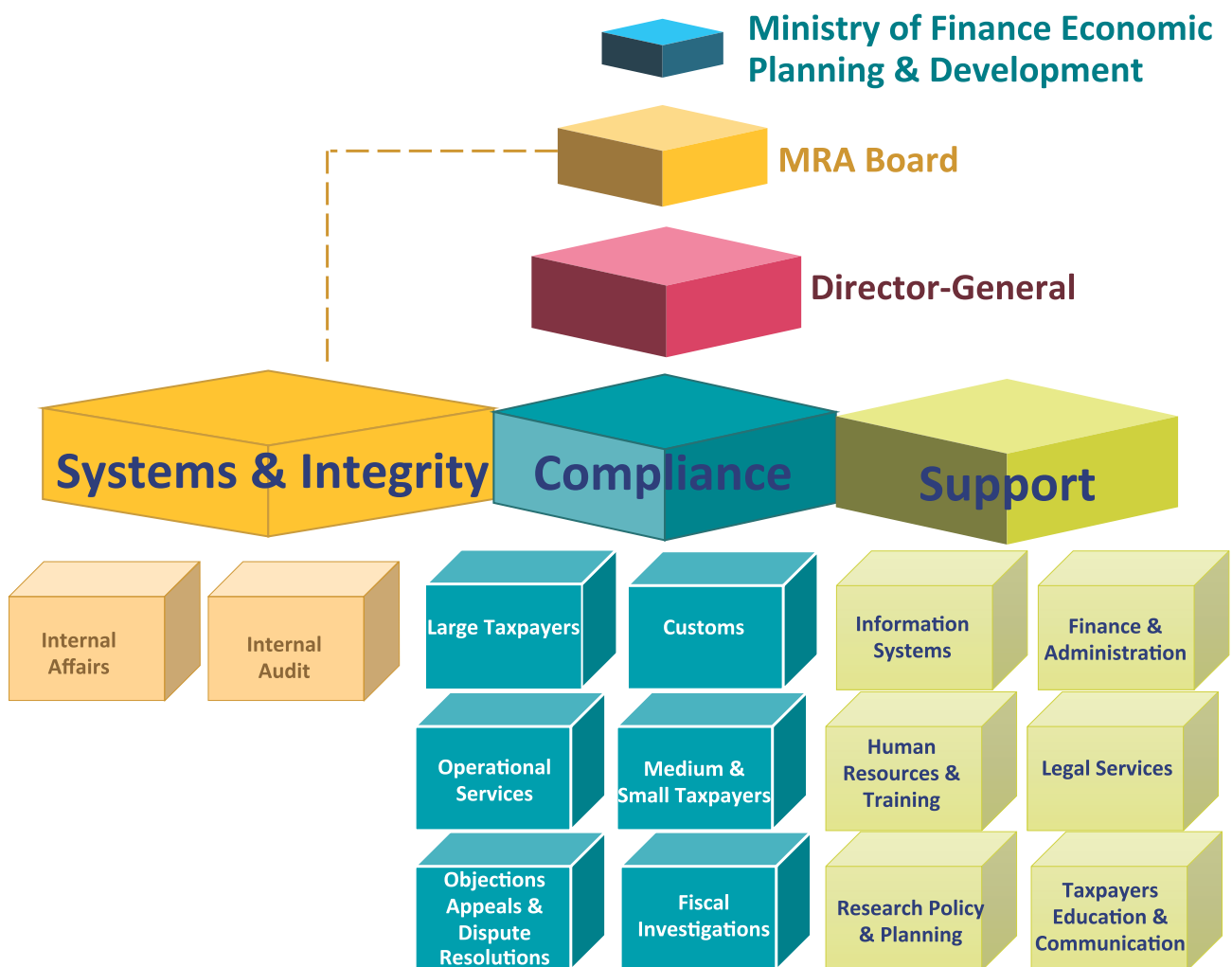
Individuals

1. Salaried Taxpayers
2. Self Employed Taxpayers
3. NITA/ SPA Beneficiaries
4. High Net Worth Individuals (HNWI)
5. Mauritian Diaspora Member

Corporate Taxpayers

1. Global Business
2. Large Taxpayers
3. SME

6. ORGANISATIONAL STRUCTURE



1 Divisions

Internal Audit

The Internal Audit Division is responsible for providing assurance to the Board and Management on MRA's internal controls, risk management systems and governance. The Division also oversees the MRA Quality Management System. The head of the Division reports administratively to the Director-General and functionally to the Audit and Oversight/Risk Management Committee on all internal audit issues.

Internal Affairs

The Internal Affairs Division is mandated under the MRA Act to deal with allegations of malpractice or other complaints against any MRA officer/employee. It also processes and verifies the declaration of assets made by an officer/employee on a regular basis. The Division has the power to make enquiries or investigations as it thinks necessary, call for any records and information and request any person to provide such information as may be necessary for any enquiry.

2 Compliance Departments

Customs

The Customs Department manages the administration of Customs and Excise duties and aims to facilitate trade through efficient border control procedures. Customs has three basic functions:

- **Fiscal function** – consists of collecting and protecting government revenue in the form of customs duty, excise duty, VAT and other taxes under Customs Laws;
- **Protection / security function** – ensures the security and protection of the country against transnational crimes and acts of terrorism; and,
- **Economic function** – facilitates trade for legitimate cross-border transactions in order to increase import/ export, promote foreign direct investment and boost economic activity.

Large Taxpayers

The Large Taxpayers Department (LTD) is responsible for the management and administration of income tax and value added tax in respect of taxpayers whose annual turnover is above 100 million rupees. It also has the responsibility for all international taxation issues including negotiation of DTAA's, attending meetings on international taxation and exchange of information with foreign competent authorities.

Medium & Small Taxpayers

The Medium & Small Taxpayers Department (MSTD) manages the administration of all other taxes, including Income Tax, Value-Added Tax and Gaming taxes.

Operational Services

The Operational Services Department (OSD) ensures that the key shared services of registration, service delivery, processing & e-filing and debt management are performed efficiently and effectively, and that those services fully support the Customs and tax operational departments in their work.

Fiscal Investigations

The Fiscal Investigations Department (FID) conducts investigations into potential tax-evasion cases, collects evidence relative to these cases, raises assessments, refers suspected cases of money laundering to ICAC and recommends prosecution for certain other types of offences.

Objections, Appeals and Dispute Resolutions

The Objections, Appeals and Dispute Resolutions Department (OADR) ensures that all objections to assessments are properly dealt with in accordance with the relevant provisions of the Tax & Customs Laws. The OADR, which is an independent Unit, gives assurance to taxpayers/stakeholders that all objections are dealt objectively, fairly and in a transparent manner.

3

*Support Departments***Finance and Administration**

The Finance and Administration Department (FAD) is responsible for the budget preparation for submission to the Board, the recording and monitoring of revenue and expenditure, and the production of financial and management accounts. The Department also provides administrative support and effects refund of income tax, VAT and payments of Government's supporting measures (i.e., NITA, Special Allowance, GWAS, SEAS and Government Subsidy on essential goods).

Information Systems

The Information Systems Department (ISD) is responsible for the set-up and development of the MRA's Information System Strategy, identifying the current, medium and long-term computer requirements, and providing technical guidance on MRA computer systems and software.

Legal Services

The Legal Services Department (LSD) initiates, prepares and prosecutes/defends cases on behalf of the MRA and provides general legal assistance on matters such as contract, liability or employment issues.

Human Resources and Training

The Human Resources and Training Department (HRTD) is required to design and implement best practice human resources management and training and develop policies so that the MRA is regarded as a leading employer and can attract, motivate, develop and retain high-quality staff.

Taxpayer Education and Communication

The Taxpayer Education and Communication Department (TECD) is responsible for promoting MRA's mission and activities, providing taxpayers with information and assistance regarding their tax compliance requirements, and liaising with the media and other external stakeholders.

Research, Policy and Planning

The Research, Policy and Planning Department (RPPD) oversees the MRA's research, policy, planning and monitoring activities, and ensures that quality management information is provided to the Board, Management Team and other key decision-makers.

Our Revenue Collection and Income Support Functions

1

Direct & Indirect Taxes

- Corporate Tax
- Personal Income Tax
- Tax Deduction at Source (TDS)
- Value- Added Tax (VAT)
- Customs Duties
- Excise Duties
- Taxes on Gambling
- Passenger Fees
- Passenger Solidarity Fees
- Environment Protection Fees (EPF)
- Advertising Structure Fee
- Special Levy on Banks
- Special Levy on Telecommunication

2

Mandated to collect

- Contribution Sociale Généralisée / National Savings Fund (NSF) Contributions
- HRDC Training Levy
- Payment of Tax by National Lottery Operator
- Corporate Social Responsibility Levy
- Responsible Gambling and Capacity Building Fund Levy
- Workfare Program Fund Levy
- Contributions to Mauritius Sugar Syndicate
- Fees & charges from other agencies

3

Assistance to the vulnerable

- Negative Income Tax Allowances
- Special Allowances
- Government Wage Assistance Scheme (GWAS)
- Self-Employed Assistance Scheme (SEAS)
- One-Off Grant
- Government Subsidy on Essential Goods (GSoG)

7. MRA BOARD MEMBERS' PROFILE



Mr Nayan Koomar BALLAH, G.O.S.K
Chairperson

Appointment

Appointed as Chairperson of the MRA Board in December 2016

Committee Member

None

Skills and Previous Experience

He holds a Diploma in Public Administration and Management, Bachelor of Arts in Political Science and Economics and Bachelor of Arts (Honours) in English. He has a long career in the public service and has been the Secretary of the Public Service Commission and the Disciplined Forces Service Commission. He has served in senior positions in various Ministries, such as Ministry of Agriculture, Fisheries and Natural Resources, Ministry of Arts and Culture, Ministry of Youth and Sports, Ministry of Public Infrastructure, Land Transport & Shipping and the Prime Minister's Office. He has also served as Chairperson and member on various Boards and Committees.

External Appointments

- Chairperson- SBM (Bank Holdings) Ltd
- Chairperson- Mauritius Telecom
- Chairperson- Multi Carrier (Mauritius) Ltd
- Director - Mauritius Duty Free Paradise
- Director - Air Mauritius
- Chairperson- Metro Express Ltd



Mr Mahensingh BHEEKHEE
Board Member

Appointment

Appointed as Board Member in July 2017

Committee Member

Chairperson of Central Tender Committee (as from 17 November 2020)

Skills and Previous Experience

He is currently Lead Analyst at the Ministry of Finance Economic Planning and Development. He started his career as Education Officer and he has worked at the Ministry of Finance for more than 24 years. He holds a BSc (Hons) in Economics from the University of Mauritius and a Master in Financial Economics from the University of London.

External Appointments

- Board Director at the Mauritius Civil Service Mutual Aid Association Ltd
- Board Director at the State Investment Finance Corporation Ltd
- Member of the Managing Committee of the Responsible Gambling and Capacity Building Fund at the Gambling Authority



Mr Kritananda Naghee REDDY
Board Member

Appointment

Appointed as Board Member in March 2015

Committee Member/ Chairperson

Chairperson of the Audit & Oversight/Risk Management Committee

Skills and previous experience

He has worked as Principal Accountant at the Ministry of Finance. He has studied law and on completion of his Bar Vocation Course, joined the Attorney General's Office as State Counsel. He is currently Principal State Counsel and in that capacity is advising ministries, conducting litigation before the Courts, handling tax cases before the ARC and the Supreme Court.

His formal qualifications include an MBA, LLB and LLM (international tax and insurance law) & FCCA.

External Appointments

- Board Member at SIC Management Services Co Ltd



Mr Javed SUHOOTOORAH
Board Member

Appointment

Appointed as Board Member in December 2016

Committee Member

Member of Corporate Governance Committee and Audit & Oversight/Risk Management Committee

Skills and Previous Experience

He is a Lead Analyst at the Ministry of Finance Economic Planning and Development. He holds a BSc (Hons) in Economics and is a fellow member of the ACCA. He has worked at the Ministry for more than 15 years.

External Appointments

- Board Member at Central Electricity Board
- Member of the Managing Committee of the Covid-19 Solidarity Fund



Mr Anoop NILAMBER
Board Member

Appointment

Appointed as Board Member in December 2016

Committee Member/ Chairperson

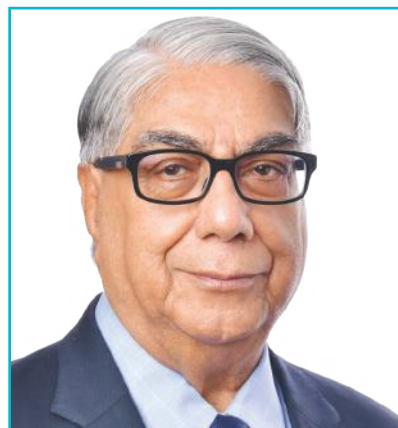
Chairperson of Corporate Governance Committee

Skills and Previous Experience

He is currently the CEO of Airports of Mauritius Ltd (AML). Prior to joining the AML, he worked in the banking sphere for almost ten years at HSBC in France, MCB in Mauritius and Advisor at MoFEPD. He graduated in Banking & Finance from University Pantheon Assas Paris II.

External Appointments

- Board Member at MauBank
- Board Member at SIC



Mr Sudhamo LAL, C.S.K
Board Member

Appointment

Appointed as Director-General in May 2005

Committee Member

Member of the Central Tender Committee & Corporate Governance Committee

Skills and Previous Experience

He has previously worked in direct tax administration in Pakistan, progressing from Commissioner of Income Tax and Wealth Tax and Director-General (Withholding taxes), to Member (Tax Policy and Administration) in the Central Board of Revenue, Islamabad. In this role he was responsible for leading US\$150 million World Bank funded tax administration reform programme. He acted as the president of the Commonwealth Association of Tax Administrators (CATA) from 2009 to 2012, Vice Chairman for the World Customs Organisation's Eastern and Southern Africa Region from 2011 to May 2013. He was elected Council member of the African Tax Administration Forum (ATAF) in September 2014 and in November 2015 he was elected Chairman CATA for a period of three years. In October 2016, he was elected to serve as Vice-Chairman of ATAF for a period of two years.

His formal qualifications include a first degree in law and a postgraduate degree in Agri-Economics and Soil Science. He has also undergone training in public Administration, National Management, Tax Fraud Administration and Revenue Forecasting.

External Appointments

- None

8. MRA MANAGEMENT TEAM'S PROFILE



Sudhamo LAL, C.S.K
Director-General, MRA (Since May 2005)

Qualifications:

(See Board Members' Profiles)

Experience:

(See Board Members' Profiles)

Date of Appointment on Management Team:

15 May 2005

☎ 207 5941 📠 207 6041 📧 dgoffice@mra.mu



Nily BUNWAREE
Director,
Finance & Administration

Qualifications:

- Fellow member of the Association of Chartered Certified Accountants and Associate of the Institute of Chartered Accountants in England and Wales
- MBA from the University of Birmingham

Experience:

She joined a Manufacturing Company in the private sector as Finance Manager. Worked as Financial Controller in a large conglomerate from 1992 to 2011. Also worked on a number of projects in the shipping and aviation fields. Joined MRA as Director, Finance & Administration in January 2013.

Date of Appointment on Management Team:

03 January 2013

☎ 207 5922 📠 207 6022 📧 nily.bunwaree@mra.mu



Dhoojanaden MAUNIKUM
Director,
Human Resources and Training

Qualifications:

- BA (Hons) Economics
- MA Economics
- MSc Human Resource Planning and Development

Experience:

He joined the Public Service in 1997. He served as Senior Human Resource Analyst in the Ministry of Education and Training and as Assistant Secretary in the Prime Minister's Office/Ministry of Environment. He joined the MRA in January 2007 and was appointed Assistant Director in December 2013. He holds the post of Director since December 2020.

Date of Appointment on Management Team:

01 December 2020

☎ 202 0500 ext: 7600 📠 216 4317 📧 dhoojanaden.maunikum@mra.mu



Sumita Devi MOOROGEN
Director,
Internal Audit

Qualifications:

- Fellow member of the Association of Chartered Certified Accountants
- MBA in Finance & Administration – University of Wales and Manchester
- Qualified Internal Audit Leader from the Institute of Internal Auditors (QIAL)

Experience:

Joined the National Audit Office in 1985. She held various positions there and was Assistant Director of Audit from 1995 to 2003. From 2003 to 2006, she was Assistant Director at the ICAC and responsible for corruption prevention and system enhancement. She joined the MRA as Director, Internal Audit in June 2006. Was a member of the Audit Review Panel of the Financial Reporting Council from December 2008 to December 2012 and is presently an active member of Institute of International Auditors, Mauritius.

Date of Appointment on Management Team:

14 June 2006

207 5942

207 6042

sumita.mooroogen@mra.mu



Mahmade Faisal OOZEERALLY
Director,
Large Taxpayers

Qualifications:

- Fellow Member of the Association of Chartered Certified Accountants
- MSc in Finance

Experience:

He joined the Income Tax Department as Inspector of taxes in 1995 and later served as Investigating Officer. In 2006, he joined the MRA as Team Leader in the Medium and Small Taxpayers Department and thereafter appointed as Section Head in the Objections, Appeals & Dispute Resolutions Department. Appointed Director of the Large Taxpayers Department and also responsible for all international tax matters, a position that he holds since 1 March 2021.

Date of Appointment on Management Team:

01 March 2021

207 5904

207 6053

faisal.oozeerally@mra.mu



Noor Mahmad OOZEER
Director,
Operational Services

Qualifications:

- BSc (Hons) Finance and Taxation
- MSc Financial Management and Taxation

Experience:

He joined the Income Tax Department in 1979 and gradually climbed the corporate ladder and served as Principal Inspector of Taxes. In 2002, he served the Large Taxpayers Department and thereafter, in July 2006, joined the MRA as Team Leader. He was promoted to the post of Section Head in 2009 and Director, Compliance Department in 2020.

Date of Appointment on Management Team:

02 March 2020

207 5914

207 6016

mahmad.oozeer@mra.mu



Vivekanand RAMBURUN
Director,
Customs

Qualifications:

- Fellow member of the Association of Chartered Certified Accountants
- MBA with specialisation in Finance

Experience:

He joined HM Customs & Excise on 04 January 1982 before taking employment at the Management Audit Bureau (MAB) of the Ministry of Finance in 1991. After 10 years at MAB, where he held the post of Senior Financial & Management Analyst, he worked as advisor to the Comptroller of Customs from 2002 to 2006. He was Section Head at MRA for 11 years and acted as Director of Customs on several occasions. He is an accredited expert for the implementation of the WTO Trade Facilitation Agreement. He has extensive experience in consulting and capacity building for Customs administrations in Europe, Central Asia, Caribbean, Africa and Middle East on behalf of the WCO, IMF, Asian Development Bank, SADC, COMESA, and Canada Customs.

Date of Appointment on Management Team:

02 February 2016



202 0500



216 7601



vivekanand.ramburun@mra.mu



Dhanraj RAMDIN
Director,
Medium and Small Taxpayers

Qualifications:

- Fellow member of the Association of Chartered Certified Accountants
- Post Graduate Degree in Tax Administration-University of Paris-Dauphine, France

Experience:

He joined the Public Service in 1978 and later joined the Income Tax Department as Inspector of Taxes in 1983. He served there in the capacity of Senior Investigating Officer, Chief Investigating Officer and Deputy Commissioner of Income Tax. In 2006, he joined the MRA as the Director of Operational Services Department.

Date of Appointment on Management Team:

01 March 2006



207 5948



207 6048



dhanraj.ramdin@mra.mu



Vaydavadee RAMDIN
Director,
Fiscal Investigations

Qualifications:

- Fellow member of the Association of Chartered Certified Accountants

Experience:

She joined the Public Service in 1980 and later joined the Income Tax Department in 1983 as Inspector of Taxes. She climbed the corporate ladder and served as Senior Investigating Officer, Chief Investigating Officer and Deputy Commissioner. She joined the MRA in 2006 as Section Head in the Large Taxpayers Department. She was the Director of Objections, Appeals & Dispute Resolutions since the creation of the department in 2012 up to September 2020. She is Director of Fiscal Investigations Department since October 2020.

Date of Appointment on Management Team:

02 April 2012



207 5914



vayda.ramdin@mra.mu



**Geerjanand Panday
RAMKISSOON**

Director,
Objections, Appeals and Dispute Resolutions

Qualifications:

- Fellow of the Association of Chartered Certified Accountants
- MSc (Finance) – University of Mauritius

Experience:

He joined the Customs & Excise Department in 1987 and later had a short passage at the Value Added Tax Department before joining the then Large Taxpayers Department in 2003 as Tax Investigator. On 1 July 2006, he joined the MRA as Team Leader and was promoted to the post of Section Head in July 2010. Appointed as Director, Compliance Departments, on 1 March 2021.

Date of Appointment on Management Team:

01 March 2021



207 5000

ext: 4600



207 5050



panday.ramkisson@mra.mu



Soobhash SONAH

Director,
Information Systems

Qualifications:

- BSc (Hons) in Mathematics and Computer Science
- MSc in Computer Science
- MBA – University of Mauritius

Experience:

Prior to joining the MRA he held the post of Technical Leader and Senior Consultant in Canada. He also held the post of Manager-Information Systems in the public utilities sector and also worked at the University of Mauritius. He joined the MRA as Director, Information Systems in 2008.

Date of Appointment on Management Team:

13 October 2008



207 6077



207 6063



soobhash.sonah@mra.mu



Roshan OREE

Assistant Director,
Research, Policy & Planning

Qualifications:

- BSc (Hons) Economics
- MBA in Finance

Experience:

He started his career in the global business sector before joining the Ministry of Finance, as Economic Analyst in 1998. In that capacity he has been actively involved in the budget preparation exercise, in particular, tax policy formulation. He has also served as Board Member on a number of parastatal bodies. He joined the MRA in January 2007.

Date of Appointment on Management Team:

January 2017



207 6091



roshan.oree@mra.mu



Amick TEELUCKDHARRY
Assistant Director,
Taxpayer Education &
Communication

Qualifications:

- Master in Business Administration

Experience:

He was Head of TV Production at the Mauritius Broadcasting Corporation (MBC). He has proven experience in the production, management and marketing of audio visual programmes for television. He worked as Newspaper Reporter, TV Producer & Executive Producer.

Date of Appointment on Management Team:

01 June 2017

☎ 207 5933 📠 207 6033 📧 amick.teeluckdharry@mra.mu



Ourvashinee ROOPCHUND-MUNGAR
Legal Counsel, Officer in Charge
Legal Services

Qualifications:

- Barrister-at-Law, called to the Bar of Mauritius in 2014,
- Masters of Laws in International Commercial Law, University of Kent

Experience:

Prior to joining the MRA, she was attached to the Benoit Chambers. Her practice areas covered arbitration, civil, corporate, employment and commercial law. She now appears regularly before the Courts, Tribunals and in Disciplinary Committees, representing the MRA.

Date of Appointment on Management Team:

August 2020

☎ 207 5000 ext: 7595 📠 216 4198 📧 ourvashinee.mungar@mra.mu



Rajeev GOBIN
Team Leader,
Internal Affairs

Qualifications:

- Dip Legal Studies
- BSc (Hons) Police Studies
- Executive Masters in Business Administration

Experience:

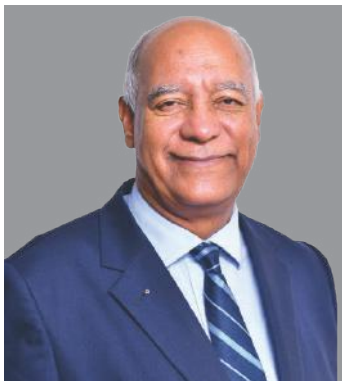
He is presently the Team Leader in Charge of the Internal Affairs Division. Before joining MRA in July 2009 as Team Leader, he had served ICAC for 2 years in the capacity of Investigator and Senior Investigator. He has also served the Mauritius Police Force as a Police Sergeant for 15 years. Since 2019, he is a Recognized Integrity Expert by the World Customs Organization. His expertise is regularly being sought by WCO since 2019 to support the Anti-Corruption and Integrity program.

Date of Appointment on Management Team:

December 2020

☎ 207 5000 ext: 4752 📠 216 0097 📧 rajeev.gobin@mra.mu

TECHNICAL ADVISOR TO THE DIRECTOR-GENERAL



**Michel Mario
HANNELAS**

Qualifications:

- Fellow member of the Association of Chartered Certified Accountants
- Post Graduate Degree in Tax Administration-University of Paris-Dauphine, France

Experience:

He joined the public service in 1974 and later joined as Inspector of Taxes in the Income Tax Department. He climbed the corporate ladder and served as Chief Investigating Officer, Deputy Commissioner of Income Tax and Commissioner of Large Taxpayers. He joined the MRA on 01 July 2006 as Director, Medium & Small Taxpayers and later headed the Large Taxpayers Department where he was also responsible for all international tax matters.

In addition, he is a member of the Mauritian Team for Tax Treaty negotiations. He has been appointed as Technical Advisor to the Director-General since 13 August 2020.

 2076081

ext: 2020



mario.hannelas@mra.mu

9. STRATEGIC OUTCOME: CORPORATE GOVERNANCE

9.1. Governance Structure

The Mauritius Revenue Authority (MRA) established under the MRA Act 2004

The MRA is a body corporate set up in July 2006 for the purpose of managing and operating an effective and efficient revenue raising organisation by enforcing the Revenue Laws. Besides, the MRA acts as an agent of the State, for the collection of and accountability for tax.

The MRA is headed by an effective Board committed to ensuring and maintaining a high standard of corporate governance within the organisation. Moreover, the Board promotes MRA's core values, namely, integrity, responsiveness, fairness, transparency and accountability, to make sure that all activities, conducted amongst its key stakeholders, are managed ethically and comply with good practices.

The MRA Board assumes the responsibility for ensuring that MRA's governance structure complies with the National Code of Corporate Governance (2016) (the Code)

9.1.1. MRA's Corporate Governance Framework

The MRA operates within a clearly defined Corporate Governance Framework illustrated as follows:



The Chapter highlights amongst others MRA's Corporate Governance Framework and the main compliance requirements as laid down under the eight principles of the Code

9.1.2. MRA's Board Charter and Code of Ethics

The Board Charter and Code of Ethics for Board members are available for reference on MRA's website www.mra.mu

9.2. The Structure of the Board and its Committees

Section 5 of the MRA Act 2004 highlights the structure, size, composition of the MRA Board

9.2.1. Board Structure

The MRA Board has a unitary structure comprising both executive and non-executive members, with a diverse mix of skills and adequate knowledge in the field of accountancy, economics, taxation, law and business administration.

Further details about each Board member are highlighted in their respective profile at chapter 7 of this Report.

9.2.2. Board and Sub-Committees Composition

The Board has set up three separate sub-committees to ensure that its functions are properly being carried out.

The composition of MRA's Board and its sub-committees during the Financial Year 2020/21 was as follows:



9.2.3. Functions of the Board / Responsibilities and Achievements

MRA BOARD	FUNCTIONS
Chairperson: Mr. N. K. Ballah, G.O.S.K Members: Mr. M. Bheekhee Mr. A. Nilamber Mr. M. Oozeer, P.D.S.M, C.S.K (<i>Till 16 Nov 2020</i>) Mr. K.N. Reddy Mr. S.J. Suhootoorah Mr. M. S. Lal, Director-General, C.S.K Secretary: Mr. R. Oree	• Giving strategic direction, providing leadership and promoting good governance practices throughout the organisation • Overseeing the implementation of strategies, policies and plans • Giving guidance and maintaining effective control over the Authority • Selecting and recruiting competent staff to form part of the Management Team • Laying down the terms and conditions of service of officers of the Management Team and every employee of the Authority • Approving the annual budget of the Authority for submission to the Ministry of Finance Economic Planning and Development • Putting in place an effective internal control systems • Ensuring that risk management strategies are developed and implemented effectively • Ensuring that an effective staff integrity management programme is in place • Approving the writing off of irrecoverable debt after prior comments of the Director, Internal Audit Division • Overseeing the Governance of MRA's information, information technology and information security • The Head of the Internal Affairs and the Internal Audit Divisions are accountable to the Board. All duties and responsibilities assigned to them are reported to the Board through the Audit Oversight/Risk Management committee. • Section 6 (6) of the MRA Act stipulates that the Board shall not have access to any information concerning the liability or otherwise of any person to tax

AUDIT & OVERSIGHT/RISK MANAGEMENT COMMITTEE**Chairperson:** Mr. K.N.Reddy**Members:**

Mr. M.Oozeer, P.D.S.M, C.S.K (Till 16 Nov 2020)

Mr. S.J.Suhootoorah

Main Responsibilities:

- Overseeing the Internal Audit & Internal Affairs Divisions;
- Reviewing any significant matters raised by the external auditors;
- Reviewing the effectiveness of MRA's internal control systems; and
- Overseeing the management of risk, integrity & ethics within the MRA

Achievements:

During the year under review, 5 meetings were held and the following tasks were completed:

- Reviewed all reports submitted by the Internal Audit and Internal Affairs Divisions;
- Approved the Annual Internal Audit Plan & Internal Audit Annual Report;
- Ensured implementation of audit recommendations and proposals for enhancement to the Internal Control System;
- Reviewed progress made in respect of Enterprise Risk Management & Quality Management System;
- Discussed issues raised by the external auditors and in the Director of Audit report; and
- Examined and recommended writing off of irrecoverable debts to the Board.

CORPORATE GOVERNANCE COMMITTEE

Chairperson: Mr. A.Nilamber

Members:

Mr. S.J.Suhootoorah

Mr. M.S.Lal, Director-General, C.S.K

Main Responsibilities:

- Making recommendations on all Corporate Governance provisions;
- Ensuring compliance with the requirements of the National Code of Corporate Governance;
- Preparing Corporate Governance report to be published in the Authority's Annual Report; and
- Promoting greater effectiveness of the Board.

Achievements:

During the year under review, 2 meetings were held to:

- Ensure that the Corporate Governance Chapter of the 2019/20 Annual Report was in compliance with the Code of Corporate Governance 2016; and
- Brainstorm on the NCCG Governance Scorecard for Mauritius to assess its implication and its use at the MRA as a self-assessment tool.

PROCUREMENT COMMITTEE

Chairperson: Mr. M.Oozeer, P.D.S.M, C.S.K (Till 16 Nov 2020)

Mr M.Bheekhee (as from 17 Nov 2020)

Members:

Mr. M.S.Lal, C.S.K

Mrs. N.Bunwaree

Main Responsibilities:

The Committee is made up of a Central Tender Committee (CTC) and a Departmental Tender Committee (DTC). Any procurement above Rs 1 million and up to Rs 5 million is approved by the DTC, and for procurement in excess of Rs 5 million the approval of the CTC is sought.

Achievements:

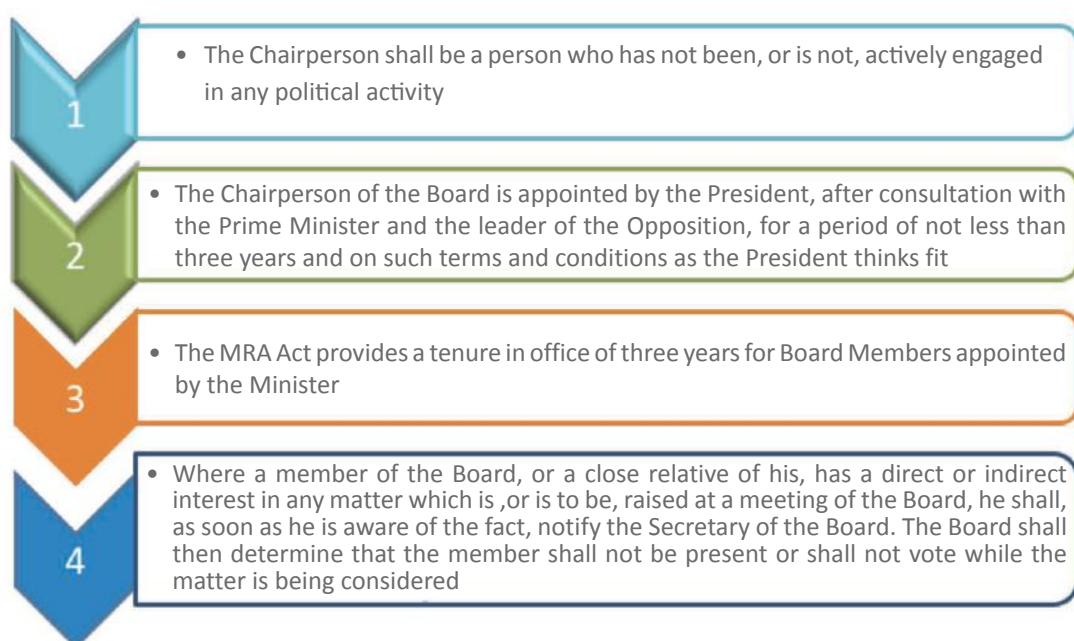
39 CTC and 17 DTC meetings were held and 39 procurements were approved.

9.3. Directors' Appointment Procedures

9.3.1. Appointment

The members of the Board, including the Chairperson are appointed in accordance with Section 5 of the MRA Act 2004

Appointment of Board members is in compliance with the above and is as follows:



9.3.2. Board Induction / Continuous Development Programme

It is the practice of the MRA to organise and conduct tailored induction/training programmes for all newly appointed Board Members aiming for a seamless on-boarding and assisting them in getting accustomed to the organisation. In addition, a set of strategic information about the MRA is consolidated and disseminated to each new Board Member. Board Members also have interactive sessions with the Management Team to ensure that they are kept abreast of the changes in the business environment and any regulations. Finally, the Board Members are always apprised of all major events at the MRA and are invited to participate, in these events.

9.4. Directors' Duties, Remuneration & Performance

9.4.1. Board Meetings

Board meetings are organised on a monthly basis. In case of urgent matters, special and/or additional meetings may also be held at very short notice. Meetings are held with the appropriate quorum consisting of the Chairperson, the Director-General and at least three Board Members.

The Secretary to the Board is responsible for organising the meetings and circulating all Board documents as per set requirements prior to each Board meetings. He is also responsible for preparing the Minutes of Proceedings and ensuring necessary follow up on key decision agreed for implementation.

9.4.2. Roles and Functions

The roles and functions of the Board have been specified at section 9.2.3 of this chapter.

9.4.3. Board Evaluation

To ensure the effectiveness of the Board and its sub-committees, the MRA conducted a Board Evaluation exercise in collaboration with the Mauritius Institute of Directors (MIoD) which was successfully completed during the period under review.

9.4.4. Board Attendance and Remuneration

Table 9.1 highlights the attendance of each Board Member present at Board meetings and sub-committee meetings, together with the Board Members' fees for the FY 2020/21 and the duration of their respective appointment.

Table 9.1: Attendance of the Board, Board Committees, Fees & Duration of Appointment for the period July 2020 to June 2021							
Members	Board Meeting	Board Committees			Fees & Duration of Appointment		
		AO/RMC*	CGC**	PC***	Board Fees (Rs)	Date of last Appointment	Duration of office
	12	5	2	56			
Meetings attended:							
Mr. N. K. Ballah, G.O.S.K (Chairperson)	11				840,000	April 2021	3 years
Mr. M. Bheekhee	12			29	300,000	Feb 2021	n/a
Mr. A. Nilamber	9		2		300,000	Feb 2021	3 years
Mr. M. Oozeer, P.D.S.M, C.S.K (Till 16 Nov 2020)	4	1		10	125,000	Aug 2018	3 years
Mr. K. N. Reddy	8	5			300,000	Aug 2018	3 years
Mr. S.J. Suhootoorah	11	5	2		300,000	Feb 2021	3 years
Mr. M. S. Lal, C.S.K (Director-General)	12		2	17	300,000	By Designation	n/a

*AO/RMC: Audit & Oversight/Risk Management Committee

**CGC: Corporate Governance Committee

***PC: Procurement Committee

-n/a: not applicable

9.4.5. Information Technology and Information Security Policy

The Board ensures that the MRA is in a position to provide continuous operations so as to meet the requirement of its taxpayers and stakeholders. To this end, the MRA has established an Information Security Management System (ISMS) and is certified with the International Standard for Information Security (ISO/IEC 27001) to ensure the confidentiality, integrity and availability of information systems hosted in the data center.

Furthermore, the MRA's Information Technology Policies, Information Security Policy and guidelines are available on the MRA's Intranet for the benefit and guidance of all staff.

9.5. Risk Governance and Internal Control

The Board is responsible to ensure that the MRA has a well-established and robust system of risk management and internal control. The Board ensures maintenance of comprehensive internal controls through the Management Control Policy and the ISO 9001 certified Quality Management System, which are integral parts of the MRA control systems.

The Management Control Policy, the Quality Policy Statement and a detailed responsibility of the Board regarding risk management, system of internal control and governance are laid down in this report.

9.5.1. Risk Management

Enterprise Risk Management is an essential strategic tool to ensure that MRA achieves its objectives. Risk Management is embedded in MRA's strategic decisions, operations and the organisation's culture.

The MRA Board has the ultimate responsibility for risk management. The Board is responsible for ensuring that risk management strategies are developed and implemented effectively and for maintaining an effective internal control system. This responsibility is then cascaded to line management for day to day management. All departments have their risk registers and reports which are regularly reviewed and updated by the process owners.

Auditing of risk management across the MRA is done on a regular basis by the Internal Audit Division. This exercise provides assurance on the effectiveness of the Risk Management Framework. It also enables the identification and updating of risks and desired controls. Various interactions and working sessions are held with departmental Risk Officers and process owners for continuous enhancement.

The MRA also has in place a Risk Monitoring Committee chaired by the Director-General and comprising of the MRA Management Team. The objective of the Committee is to ensure that risk management is functioning as per set policies and that all key risks are identified, measured and actions taken accordingly.

Results of audits are also discussed at the level of the Audit and Oversight/Risk Management Committee.

During 2020/21, Internal Audit reviewed the Risk Management at the level of each department. Changes due to COVID19 in terms of emergence of new risks, functioning of existing controls, the need for additional controls and incidence on risk ratings were assessed. KRI's and their corresponding statistics were also ascertained. Proposals for enhancements were made and Risk Registers were further upgraded.

The above were discussed at the Risk Monitoring Committee held in November 2020. Decisions were taken for enhancement of processes, procedures and structures to enable MRA better achieve its objectives. Work carried out was also presented to the Audit and Oversight/Risk Management Committee in February 2021.

An important component of the Enterprise Risk Management is to ensure that top and emerging risks are appropriately identified, assessed, measured, monitored and reported.

Thus, the MRA strategic risks were fully reviewed and the 10 top risks along with the mitigating factors identified for continuous monitoring and management are set out as follows:

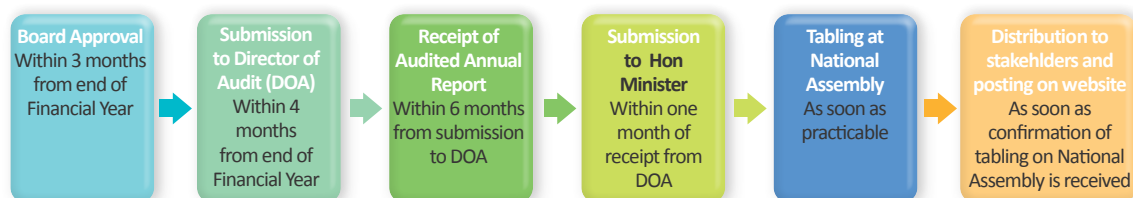
SN	Top MRA's Strategic Risk	Mitigations
1	Risk of not achieving revenue targets	• Planning, Intelligence and early warning process with budget proposals to close loophole, KPI monitoring • Tax and Customs Risk Management Units • Tax/Customs Audits and Investigations • Debt Management and expeditious Dispute Resolution • KPI monitoring, monthly review of Revenue Collection and regular review by external bodies • Internal Audit over Tax Audits and Revenue Collections • Monitoring of cases selected for audit • International Tax Unit
2	Risk of wrong disbursement of Revenue	• System control through database of information • Matching with Third Party Data
3	Tax Compliance Risk	• Dedicated department for education and communication campaigns • Continuously easing tax compliance through IT and customer service • Communication policy • Tax/Customs Audits and Investigation • Special Measures Unit to cater for non-compliance in specific sector and - "Claim a receipt" project • Tax Risk Management and Customs Risk Management Units for identification and management of tax and customs risks • Intelligence, Third party information and improvement to Taxpayers Database • A pool of MRA Resource Persons • Stakeholders meetings
4	Risk of inefficient border protection and protection of Society	• Effective processes and tools at two main points of entry like sniffer dogs, scanners, drones • Intelligence/networking • Dedicated Units like - Customs Anti Narcotic Unit, Anti Money Laundering Unit and CFT Unit • Online platform for complaints /hotline • MOU / CMAA with other agencies
5	Risk of Poor trade facilitation and Customer Service	• Customs Risk Management Unit • Collaboration between Customs and Stakeholders • Removal of legal hurdles impacting on trade • ISO certified • Customer Complaints system • E-Services • Single window operational with 11 Other Government Agencies • Blue / Green Channel

6	Risk of Organisational priorities not being set	• Strategic Plan every 5 years. • KPIs, clear delegation and monitoring processes • Research on emerging issues • Periodic reviews by international organisations
7	Information Technology Risk	• Continuous modernisation projects • Robust infrastructure and systems • Disaster Preparedness Guide • Disaster Recovery Site • IT Security Enhancement and sensitization
8	Governance and Integrity Risk	• Board and Sub-Committees • Implementation of Code of Corporate Governance • Internal Audit function, Enterprise Risk Management, ISO certified and Internal Affairs function • Objections and Appeal independent of Tax Audits/investigation • Complaint Management Systems • Audit by the National Audit Office and Annual Reports • Dedicated International Taxation Section
9	Human Resources and Finance Risk	• Well-structured recruitment, appraisal and succession planning process • Regular salary review, staff welfare • Health and safety Unit, Disaster Preparedness Guide / protocols • Training Academy, assistance from WCO, ATAF, CATA • Meetings with Staff Association-Mediation and Conciliation. • Budgeting controls, ensuring judicious use of funds etc. • Disciplinary procedures
10	Disaster and Crisis Management	• Disaster Preparedness Guide (DPG) in place and Rehearsal • Communication Protocol

9.6. Reporting with Integrity

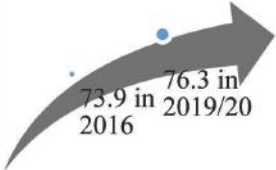
In line with Section 6 (A) of the Statutory Bodies (Accounts and Audit) Act, the MRA prepares an annual report every year and submits for audit within the statutory limit

9.6.1. Submission of the Annual Report (AR)



9.6.2. Ethics and Integrity

Projects for promoting Integrity Management

Declaration of Assets (DOAs) Received: 132 Verifie: 69 	Investigations Completed 29 	Integrity Checks Conducted: 36 
Cases referred Tax Audit: 2 Disciplinary Action: 3 	Training in relation to ethics and integrity: 16 	Raising awareness among stakeholders: 1 
Vigilance Activities: 5 	Corruption Risk Mapping: 1 	Integrity Perception Survey: Index of 76.3 compared to 73.9 in 2016 

9.6.3. Environment

The MRA recognises the importance of preserving the integrity of our environment. While conducting its activities and operations, the MRA promotes diligent use of natural resources so as to protect and promote the environment.

During the period under review, the MRA ensured protection and conservation of the environment by:



Encouraging taxpayers to file return and make payment electronically



Continuing to reduce energy consumption through a series of environmentally friendly measures



Implementing a rainwater harvesting system at Custom House



Encouraging the culture of recycling products and equipment

9.6.4. Safety and Health

The MRA has continued embracing and implementing several initiatives in the field of safety and health in view of promoting the wellbeing and wellness of both staff and stakeholders.

The initiatives taken by the MRA in the field of Safety and Health is laid down in detail in chapter 14 section 14.7 of this report.



9.6.5. Corporate Social Responsibility

The MRA considers Corporate Social Responsibility (CSR) as an important element for the welfare of both its stakeholders and staff. Accordingly, the MRA is pursuing its commitments to CSR programmes and projects. The series of projects/ activities completed during the year under review in respect of CSR are detailed at chapter 14 section 14.10.4 of this report.



9.7. Audit

9.7.1. Internal Audit

The role and responsibility of the Internal Audit Division is laid at Chapter 6 of this report and a detailed overview of the division is also available on the website.

9.7.2 Main Activities

Yearly Action Plan	System Audits
✓ Risk Based Approach ✓ Participatory Approach ✓ Input from Management on main Areas of Concern	✓ To assess adequacy of controls in various systems to enable MRA achieve its objectives and to properly manage its risks
Transactions Audits	Follow-up Exercises
✓ To provide assurance on the effectiveness of those controls	✓ To ascertain implementation of recommendations
Completed - 22 Audit Assignments	
TAX	CUSTOMS
✓ Auditing of Taxpayers ✓ Tax dispute Resolution ✓ Disbursement of Taxes and allowances ✓ Taxpayers Education ✓ Return processing 	✓ Customs control at MDFP ✓ Clearance of goods at Customs ✓ Freight Stations ✓ Samples Management 
FINANCE AND ADMINISTRATION	OTHERS
✓ Revenue Collection ✓ Transport Management ✓ Procurement ✓ Payroll Expenses	✓ IT Back Up Strategy and Operations ✓ Government Wage assistance Scheme ✓ Write off of Debts
ENTERPRISE RISK MANAGEMENT	CORPORATE GOVERNANCE
✓ Auditing and enhancement of Risk Management across MRA ✓ Discussion at the level of the Risk Monitoring Committee for further enhancements and reporting to the Audit and Oversight/Risk Committee	✓ Assurance on compliance to disclosure requirements for the MRA Annual Report and assistance for upgrading MRA Annual Report ✓ Studying the use of the National Committee on Corporate Governance Scorecard as a self-assessment tool at the MRA
QMS	QAIP
✓ Auditing the MRA Complaints Management System ✓ Quality audit of some 70 processes across MRA departments ✓ MRA preparedness to ISO 9001:2015 recertification by the Mauritius Standards bureau	✓ Internal assessment phase completed ✓ Validation review from external, independent qualified assessor in progress before moving towards external assessment

9.7.3. External Audit

Section 8 (5) of the MRA Act stipulates that the external auditor for the MRA shall be the Director of Audit. The Statutory Bodies (Accounts and Audit) Act provides that once the Annual Report of the MRA has been submitted to the Director of Audit, the latter, shall furnish the audited report to the MRA within a period of 6 months from the date of receipt.

In addition to the audited report, MRA's systems and processes are also audited by the external auditor, whereby, the audit findings and recommendations are presented in the Director of Audit's Report tabled at the National Assembly on a yearly basis. Further to the release of the report, an implementation plan is designed, with a view to, address the findings, weaknesses and recommendations raised in the report. A presentation on the implementation plan is also made and discussed at the level of the Audit & Oversight/Risk Management Committee of MRA Board. A summary of the Implementation Plan is presented at Chapter 20 of this report. The implementation plan is regularly monitored by the concerned departments to ensure actions are being implemented within the set timeframe.

9.8. Relations with Shareholders & Other Key Stakeholders

MRA maintains a professional relationship with all its stakeholders. The focus of the MRA is to ensure that all its stakeholders are served and are informed in a timely manner of all activities, events and engagement with the organisation.

Regular communiqués, meetings, workshops, interactions and surveys are being conducted to ensure stakeholders engagement, collaboration and improved services are delivered.

Due to the COVID-19 pandemic, the Government came up with various incentives to reduce inequality of income between the rich and the poor. Through disbursement of the allowances, MRA's stakeholders have been extended to include many self-employed individuals and low income earners.

The main stakeholders of the MRA are shown at chapter 5 of this report.

The Authority regards the Government of Mauritius as its controlling party and has disclosed at Note 22 to the Financial Statements the Related Party Transactions for the period under review in accordance with IPSAS 20 (Related Party Disclosures). The related party transactions for MRA during the FY 2020/2021 include:

1. Grants (capital & revenue) of Rs 2,126,905,336 from Government;
2. Fees paid to Board Members for an amount of Rs 2,465,000; and
3. Payment to key management personnel for an amount of Rs 54,643,334.

The profile of each Management Team member is laid down in chapter 8 of this report.

As per provisions of the Act constituting the Authority, the Board Members represent the interest of Stakeholders. However, the Board considers that such representation does not trigger any other related party transactions that would require any further disclosure.



MANAGEMENT CONTROL POLICY

1. Management is responsible for establishing processes and procedures with the objective of controlling MRA's operations in a manner that provides the MRA's Board with reasonable assurance that:
 - Data and information published either internally or externally is accurate, reliable, and timely.
 - Actions of directors, officers, and employees are in compliance with the organization's policies, standards, plans and procedures, and all relevant laws and regulations, where quality business processes and continuous improvement are emphasized.
 - The organization's resources (including its people, systems, data/information bases, and customer goodwill) are adequately protected.
 - Resources are acquired economically, used efficiently and adequately protected.
 - The organization's plans, programs, goals, and objectives are achieved.

Controlling is a function of Management and is an integral part of the overall process of managing operations. As such, it is the responsibility of managers at all levels of the organization to:

- Identify and evaluate the exposures to loss that relate to their particular sphere of operations.
 - Specify and establish policies, plans, and operating standards, procedures, systems, and other disciplines to be used to minimize, mitigate, and/or limit the risks associated with the exposures identified.
 - Establish practical controlling processes that require and encourage directors, officers, and employees to carry out their duties and responsibilities in a manner that achieves the five control objectives outlined in the preceding paragraph.
 - Maintain the effectiveness of the controlling processes they have established and foster continuous improvement to these processes.
2. Internal Audit is responsible for ascertaining that the ongoing processes for controlling operations throughout the organization are adequately designed and functioning in an effective manner. Internal Audit is also responsible for reporting to Management and the Audit Committee on the adequacy and effectiveness of the organization's systems of internal control, together with ideas, counsel, and recommendations to improve the systems.
 3. The Audit Committee is responsible for monitoring, overseeing, and evaluating the duties and responsibilities of Management, the Internal Audit Division, and the External Auditors as those duties and responsibilities relate to the organization's processes for controlling its operations. The Audit Committee is also responsible for determining that all major issues reported by the Internal Audit Division, the External Auditor, and other outside advisors have been satisfactorily solved. Finally, the Audit Committee is responsible for reporting to the MRA Board all important matters pertaining to the organization's controlling processes.

DIRECTORS' RESPONSIBILITY FOR RISK MANAGEMENT, SYSTEM OF INTERNAL CONTROL AND GOVERNANCE

In its leadership role, the Board is responsible for approving, monitoring, reviewing and evaluating the implementation of strategies, policies and plans. The Directors of the Board are aware of their legal duties.

The Directors are also responsible for ensuring that the MRA complies with the Code of Corporate Governance and that all material information be communicated to the stakeholders in a transparent way and the Annual Report is published on the MRA website.

Directors of the Board oversee that the organisation develops and executes a comprehensive and robust system of risk management. They also ensure appropriate frameworks and effective processes are in place for sound management and continual monitoring of risks. The Board monitors and evaluates the organisation's strategic, financial, operational and compliance risk.

The Board ensures the maintenance of a comprehensive internal control systems relevant to the Authority's functions including controls relevant to the preparation and presentation of the financial statements.

The Authority has an Internal Audit Division which assists the Board and Management in effectively discharging the above responsibilities. The structure and qualifications of key members of the Internal Audit Function are listed on the MRA's website.

Controls are reviewed on an on-going basis by Internal Audit using a cycle-based risk approach and any material weaknesses or irregularities detected are rectified within a reasonable time-frame.

The Audit and Oversight/Risk Management Committee reviews all internal audit reports and Management is advised through the Director-General of remedial action to be taken. The Committee is also kept informed of progress on the implementation of audit recommendations either through feedback reports from Management or follow-up exercises carried out by Internal Audit.

The Board is apprised of all deliberations and decisions taken by the Audit and Oversight/Risk Management Committee.

The Board also ensures safeguarding of the Authority's assets and that steps are taken for the prevention and detection of fraud and other irregularities, including compliance to the Code of Ethics.



N. K. BALLAH, G.O.S.K
Chairperson MRA Board



K. N. REDDY
Chairperson Audit & Oversight /
Risk Management Committee

STATEMENT OF COMPLIANCE

Throughout the year ended 30 June 2021, to the best of the Board's knowledge, MRA has complied with the requirements of the Code of Corporate Governance for Mauritius (2016) in all material aspects



.....
N. K. BALLAH, G.O.S.K
Chairperson MRA Board



.....
J. SUHOOTOORAH
*Ag. Chairperson Corporate
Governance Committee*



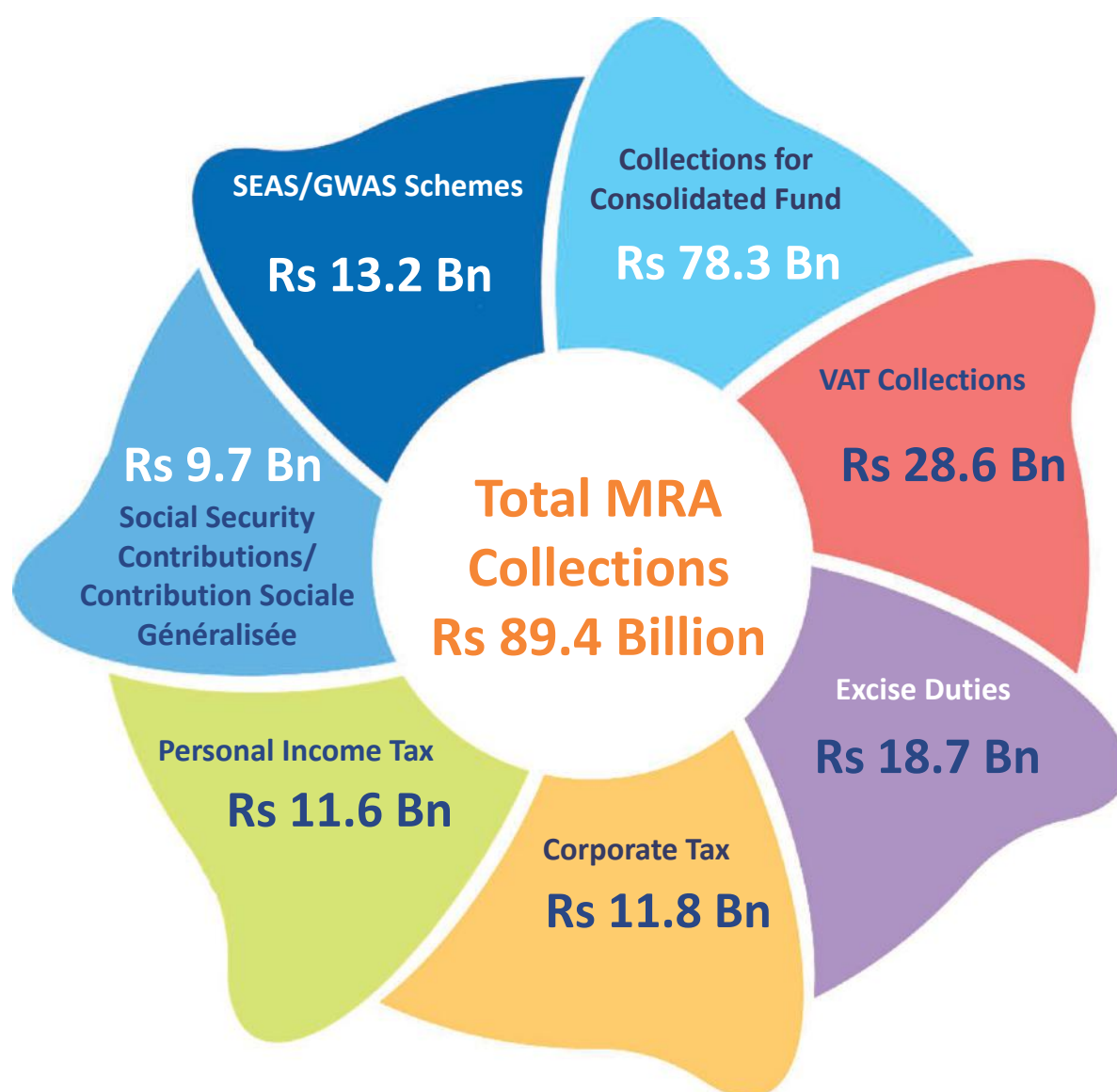


Tax Evasion erodes away...



... the future of our generation

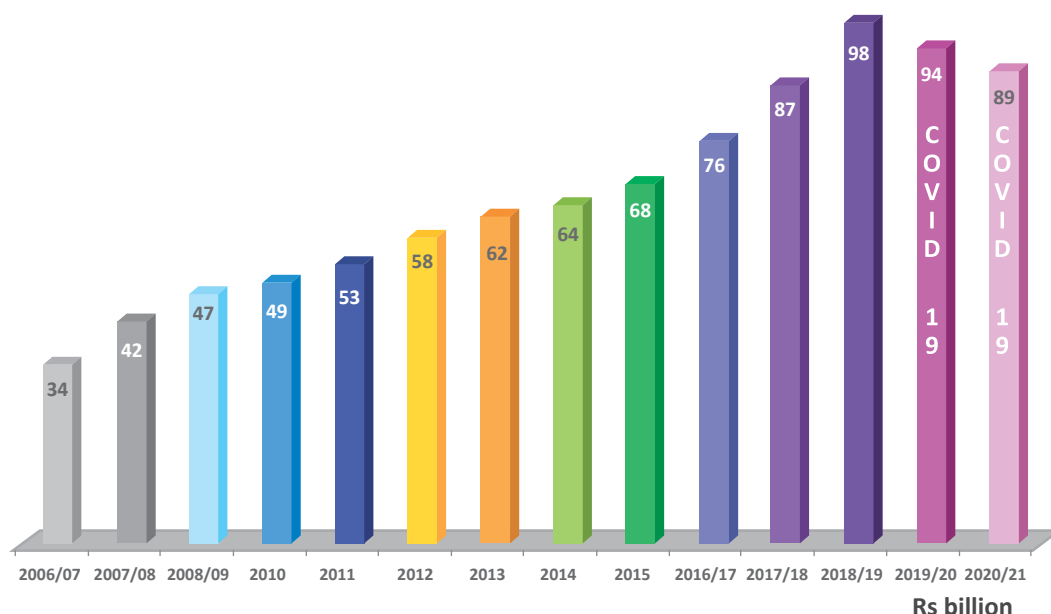
10. STRATEGIC OUTCOME: REVENUE COLLECTIONS & INCOME DISTRIBUTION



10.1. REVENUE COLLECTIONS

On 30th June 2021, the Mauritius Revenue Authority reached a huge milestone: 15 years in operation. The policy and administrative reforms implemented during these years have manifested through sustainable revenue collections growth. From a net collection of Rs 34 billion at the end of June 2007, marking its first anniversary, revenue grew steadily over the years to reach Rs 98 billion in June 2019. A year later, the economy bore the brunt of the COVID-19 pandemic when the closed borders and the lockdown directly impacted performance particularly in terms of revenue collection. Chart 10.1 illustrates the evolution of total tax revenues over the past fifteen years.

Chart 10.1: MRA Revenue Collections 2006-2021



10.2. Our Performance in FY 2020/21

Revenue receipts in FY 2020/21, based on a contraction of 11 percent in GDP, were set at the start of the year at Rs 81,519 million. Following the March 2021 lock down, restriction in circulation and conduct of specified business activities, the revenue estimates were revised downwards to Rs 75,243 million in the 2021/22 Budget. Revenue collection for the FY 2020/21 actually amounted to Rs 78,327 million, which was slightly more than Rs 3 billion above the revised target.

Table 10.1 compares revenue collections in FY 2020/21 with budgetary estimates and FY 2019/20 collections. It further depicts some allowances paid out by the MRA during the year under review.

Table 10.1 : Revenue Collections and Income Distribution

TAX	July2019- June2020 Actual (Rs m)	July2020- June2021 Actual (Rs m)	B/A	July2020- June2021 Projected (Rs m)	B/C	July2020- June2021 Revised (Rs m)	B/D
	A	B		C		D	
Corporate Tax	13,899	11,776	-15.3%	11,416	3.2%	10,375	13.5%
Income Tax	11,099	11,560	4.2%	10,525	9.8%	11,400	1.4%
Tax Deducted at Source	1,718	1,821	6.0%	1,400	30.1%	1,760	3.5%
Value-Added Tax	32,680	28,579	-12.5%	29,250	-2.3%	28,000	2.1%
Customs duties	1,216	1,180	-3.0%	1,140	3.5%	1,140	3.5%
Excise duties	18,925	18,680	-1.3%	21,110	-11.5%	18,155	2.9%
Taxes on Gambling	1,720	1,774	3.1%	2,140	-17.1%	1,715	3.4%
Passenger Fee	1,211	24	-98.0%	480	-95.0%	30	-20.0%
Special Levy on Banks	946	950	0.4%	945	0.5%	901	5.4%
Special Levy on Telecommunication.	185	157	-15.1%	250	-37.2%	175	-10.3%
COVID Levy	-	1,439	-	2,500	-42.4%	1,300	10.7%
Environment Protection Fee	330	89	-73.0%	164	-45.7%	87	2.3%
Advertising Structure Fee	44	46	4.5%	50	-8.0%	50	-8.0%
Miscellaneous ²	308	252	-18.2%	149	69.1%	155	62.6%
Total to Consolidated Fund	84,281	78,327	-7.1%	81,519	-3.9%	75,243	4.1%
Social Security Contributions	8,060	4,474	-44.5%				
Contribution Sociale Généralisée (CSG)	-	5,247	-				
Other Agency Tax collections	1,365	1,332	-2.4%				
Total MRA Revenue Collections	93,706	89,380	-4.6%				
Negative Income Tax	-136	-85	-37.5%				
Special Allowance	-329	-430	30.7%				
Government Wage Assistance Scheme	-7,603	-8,847	16.4%				
Self-Employed Assistance Scheme	-2,382	-4,303	80.6%				

¹MRA figures are on a collection basis and may vary from figures reported by the Accountant-General which are on a cash basis.

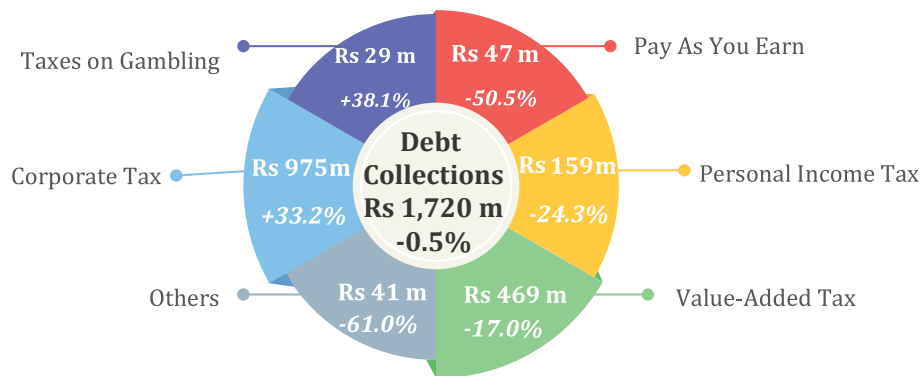
² Includes collections from Licences, Customs & Excise Fees and Fines, Miscellaneous Customs, Passenger Solidarity Fee, Processing Fee, Tax Residency Certificates and tax rulings, Revenue from Excise Stamps

10.3. FY 2020/21 Revenue Collection – Main Taxes

10.3.1. Debt Collections

Debt collections closed at Rs 1.7 billion in June 2021, that is, almost the same as in FY 2019/20. The fall in tax assessments in the preceding year and the difficulties experienced by taxpayers to meet their commitments to the MRA, both triggered by the COVID-19 pandemic, explains the stagnation in debt collections. When compared to the preceding year, the fall in arrears collections from personal income tax and VAT was compensated by a rise in corporate tax collections.

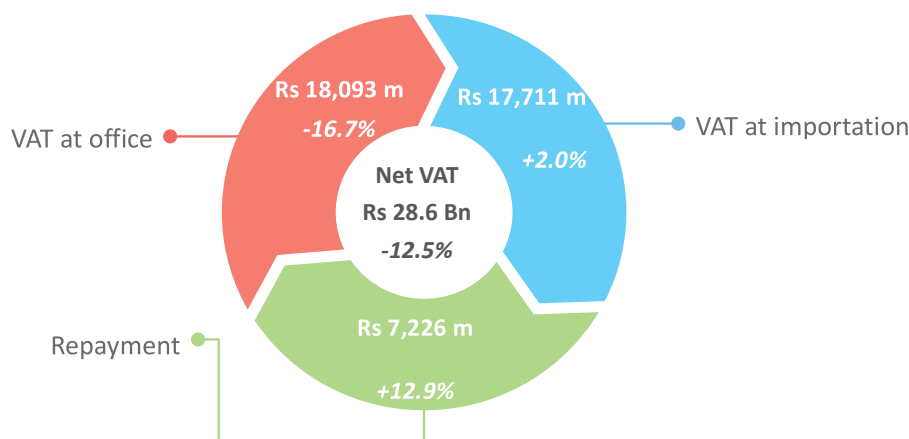
Chart 10.2: Debt Collection



10.3.2. Value Added Tax

Net **Value-Added Tax** collections in FY 2020/21 amounting to Rs 28,578 million were 13% less than corresponding collections in the previous year and were 2.3% below initial projections but exceeded revised estimates by 2.1%. In reaction to COVID-19 and strict containment measures, business activities in selected sectors have decreased drastically, particularly in the hotel sector where the borders have virtually remained closed. MRA estimates the *direct* shortfall in VAT receipts from the accommodation sector, as compared to a normal year such as FY 2018/19, at Rs 4 billion whilst the *indirect* shortfall in receipts is estimated at a minimum of Rs 1.3 billion.

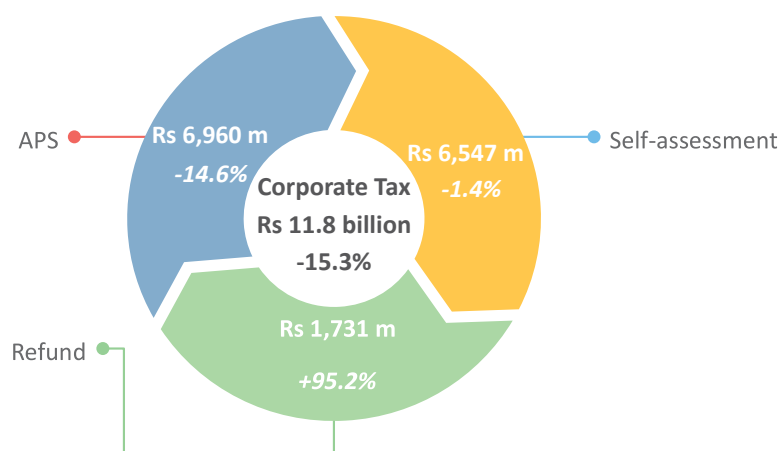
Chart 10.3: VAT Collection



10.3.3. Corporate Tax

Corporate tax collections declined by 15% during FY 2020/21 to reach Rs 11.8 billion i.e. 3.2% above budgetary projections and were also Rs 1.4 billion more than revised estimates. In order to assist taxpayers in improving their cash flow during the pandemic period, the tax payments under the Advance Payment System (APS) were deferred to 28 June 2021 while deferment of self-assessment payments was applied to taxpayers within the tourism sector whereby they were allowed to submit half of their dues in December 2020 and the rest in June 2021. Collections from the global business, trading, hotel and real estate sectors were lower than expected.

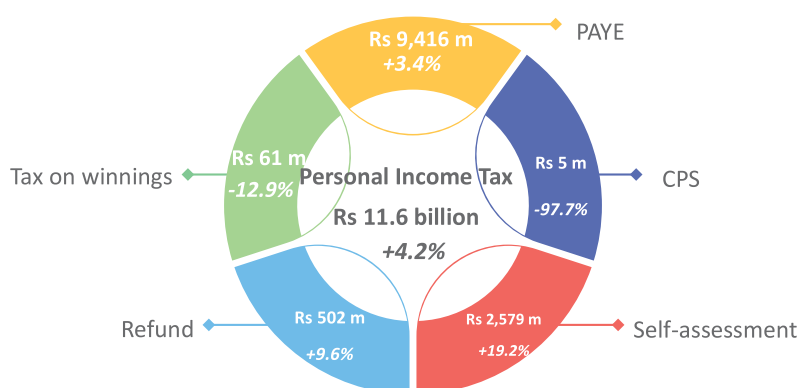
Chart 10.4: Corporate Tax Collection



10.3.4. Personal Income Tax

Personal Income Tax collections were to the tune of Rs 11.6 billion during the period July 2020 to June 2021 i.e. an increase of 4% over same period last year. Collections exceeded initial projections as well as revised estimates by 9.8% and 1.4% respectively. The surge was partly on account of the monthly solidarity levy collected under the Pay As You Earn (PAYE) system i.e. where the monthly emoluments exceeded Rs 230,769. The rate of deduction in respect of the levy is 25% of the amount above Rs 230,769, limited to 10% of total emoluments and PAYE receipts from the Solidarity Levy was to the tune of Rs 880 million.

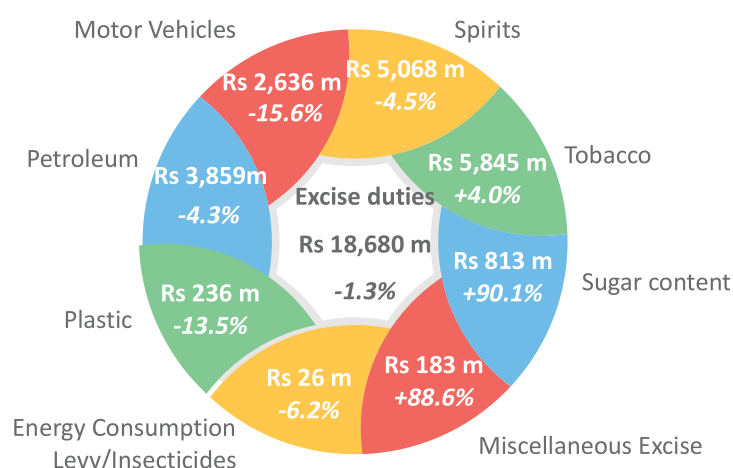
Chart 10.5: Personal Income Tax



10.3.5. Excise Collections

Excise Collections for the FY 2020/21 were 1.3% lower than the preceding year's receipts but were 2.9% above the revised estimates. In terms of excisable items, the shortfall of 37% over the expected petroleum product collections was slightly compensated by higher than anticipated proceeds from tobacco and sugar products. The 90% hike in Sugar Content of Sugar Sweetened Products excise duty was driven by the rise in the sugar tax per gram from 3 to 6 cents, effective from 5th June 2020.

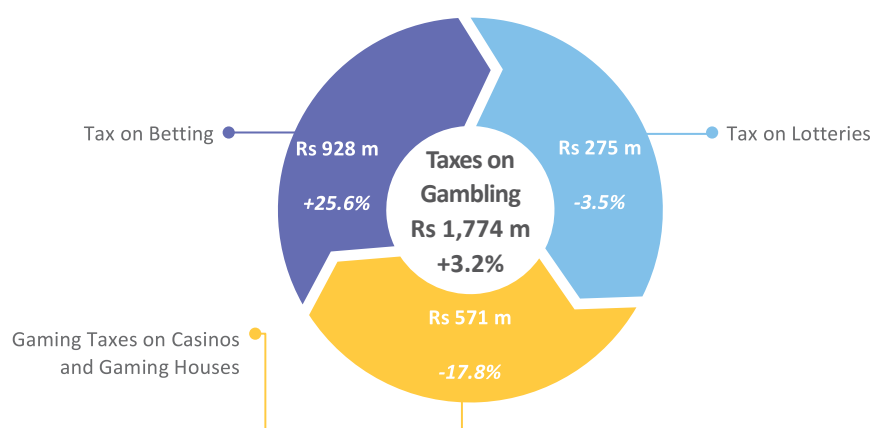
Chart 10.6: Excise duties



10.3.6. Taxes on Gambling

Collections under **gambling taxes** amounted to Rs 1,774 million in July 2020-June 2021 i.e. Rs 54 million more than FY 2019/20's collection and were 3.4% above the revised estimates set at Rs 1,715 million. Tax on lotteries was impacted by the lock down due to the COVID-19 pandemic for the second year in a row with the main operator Lottotech having to temporarily suspend its operations. The rise in tax on horse racing may be attributed to additional race meetings in FY 2020/21 whilst the increase under betting tax on foreign football was partly on account of late kick-off of foreign football leagues coupled with more matches being played within a relatively short period. The receipts from casinos and gambling houses were explained by the restrictions in activities due to the COVID-19 pandemic.

Chart 10.7: Taxes on Gambling



10.3.7. Revenue Collection – Other Taxes & Fees

The fall in **Passenger Fees** and in **Environment Protection Fees** were directly related to COVID-19 sanitary measures taken to counteract the spread of the pandemic, namely the closing of borders.

Special Levy on Telecommunication dropped by 15% and were 10% short of revised estimates of Rs 175 million.

On the other hand, **Special Levy on Banks** and **Advertising Structure Fee** respectively grew by 0.4% and 4.5%.

During the FY 2020/21, the CIF Values of goods which were subject to **Customs duties** were down by 3.7% which resulted in a decline of 3.0% in Customs duties. However, receipts exceeded the projected collections of Rs 1,140 million by 3.5%.

Tax Deducted at Source in July 2020-June 2021 were to the tune of Rs 1,821 million, up by 6% compared to the preceding year and 30% above initial projections.

As stipulated in the COVID-19 (Miscellaneous Provisions) Act 2020, every employer who has benefitted from an allowance under the Wage Assistance Scheme shall be liable to pay the **COVID-19 levy** to the MRA. The amount payable is the lower of:

- (i) the total amount paid under the Wage Assistance Scheme; or
- (ii) 15% of the gross income derived from business after deducting expenses and interests incurred in the production of gross income and annual allowances.

A total of Rs 1,439 million was reimbursed during FY 2020/21 i.e. 42% short of initial projections but 11% above revised estimates of Rs 1,300 million.

Contribution Sociale Généralisée (CSG), effective as from the month of September 2020, replaced the National Pensions Fund (NPF). A total of Rs 5,247 million has been collected over the nine-months period of FY 2020/21. Hence, receipts under the **National Pension Fund** in FY 2020/21 mainly pertained to a period of 3 months.

As regards other social security contributions, collections under **National Savings Fund** rose by 4% while **HRDC Training Levy** dropped by 27% owing to lowering of the rate from 1.5% to 1%.

Recycling fees of Rs 597,000 obtained in FY 2020/21 pertained to arrears prior to and inclusive of taxable period December 2019 following the repeal of the Employment Rights Act 2008.

While contribution to the **National CSR Foundation** increased by 6%, the **Responsible Gambling and Capacity Building Fund** levy, paid by betting and gambling operators, fell by 9%. Similarly, the share of Lotto proceeds transferred to the **Lotto Fund** decreased by 23%.

Ministries and agencies involved in trading across borders are housed under one roof enabling expedite clearance of goods leading to effective and efficient trading across the border. As from October 2020 till June 2021, the MRA has collected a total of Rs 75,200 representing **Coordinated Border Management** fees payable to these Ministries and agencies.

Declarants, distiller-bottlers, importers and manufacturers of excisable goods contributed a fee of 40 rupees for each litre of absolute alcohol removed for home consumption. Collections of fees to the tune of Rs 158 million on behalf of the **Mauritius Sugar Syndicate in respect of potable alcohol** exceeded preceding year's receipts by Rs 1 million.

Table 10.2: Other Fees and Levies collected by the MRA

Other Fees	July 2019- June 2020 (Rs m)	July 2020- June 2021 (Rs m)	Growth (%)
Contribution Sociale Généralisée	-	5,247	-
NPF- National Pensions Fund	4,693	1,308	-72.1%
NSF-National Savings Fund	2,207	2,303	4.3%
Levy-Training Levy	1,156	840	-27.3%
RCF-Recycling Fee	4	1	-75.0%
Mauritius Sugar Syndicate	157	158	0.7%
Coordinated Border Management	-	0	-
Lotto Fund	280	217	-22.5%
National CSR Foundation	844	896	6.2%
Responsible Gambling and Capacity Building Fund	67	61	-9.0%

10.4. Income Support

Since the onset of the COVID-19 pandemic, the MRA has been implementing or administering additional support schemes, aimed at assisting enterprises and individuals. The amount paid under these Schemes for the twelve months ended 30 June 2021 was Rs 13.2 billion.

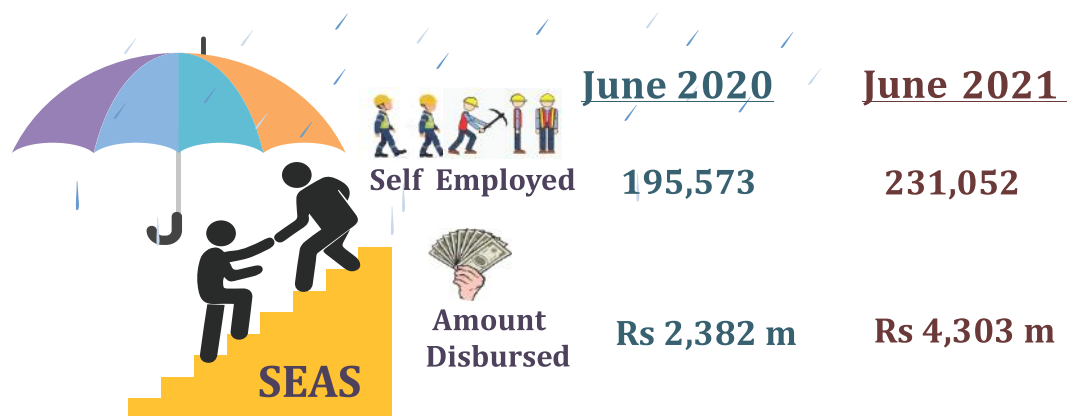
The **Government Wage Assistance Scheme (GWAS)** is an economic measure implemented by the Government to provide a wage subsidy to private sector employers in order to ensure that their employees drawing a monthly basic wage of up to Rs 50,000 in 2020 and Rs 50,375 in 2021, were duly paid their salary during the lockdown periods. Operators in the tourism industry as well as premises that remained closed or activities that were not allowed to be carried out under COVID-19 Regulations 2020, inclusive of the red zone and gaming sector, have continuously been benefitting from the wage support. Through this scheme, eligible employees were paid, through their respective employers, an allowance equivalent to:

- 50 per cent of the basic salary or wage of that employee capped at Rs 12,500 for the month of March 2020 and Rs 12,688 for the month of March 2021; and
- the basic salary or wage of that employee i.e. up to a maximum of Rs 25,000 for the months of April 2020 and May 2020 and a maximum of Rs 25,375 for the months of April 2021 and May 2021.

In FY 2020/21, Rs 8.8 billion was disbursed to 12,725 employers in respect of 221,730 employees.



The **Self-Employed Assistance Scheme (SEAS)** supported self-employed persons who suffered a loss of revenue as a consequence of the lockdown in the fight against COVID-19. Similar to GWAS, operators in tourism industry and premises that remained closed continuously received the financial support on a monthly basis. In FY 2020/21, a one-off grant of Rs 10,000 was remitted to each recipient in March 2021 while the monthly allowance was raised to Rs 5,287 as compared to Rs 5,100 in FY 2019/20. As at end of June 2021, a total of Rs 4.3 billion had been paid under SEAS of which Rs 2.3 billion related to the one-off grant payment.



Negative Income Tax allowance (NITA) is a system introduced by the Government in its budget 2017/18 and is effective as from 1st July 2017 where, instead of paying taxes, employees deriving basic salary not exceeding Rs 9,900 per month, receive financial support from Government. Eligible employees are Mauritian citizens, whose total earnings (excluding travelling) does not exceed Rs 20,000 and whose net household income excluding dividend and interest does not exceed Rs 390,000. The employee must work for a minimum of 24 hours in a week, over at least 3 days and the employer must contribute on his behalf to the CSG and the NSF. In FY 2020/21, a total of Rs 85 million was paid as NITA.

Special Allowance (SPA) was implemented in January 2018 and as from January 2021, the allowance payable to a full-time employee is as follows:

- A maximum amount of Rs 500 to an employee of a non-export enterprise to top up his monthly guaranteed income to Rs 10,575.
- A maximum of Rs 1,200 and an additional amount of Rs 140, being part of salary compensation for the year 2021 to a Mauritian employee of an export enterprise to top up his monthly guaranteed income to Rs 10,575.
- A maximum of Rs 860 to a migrant employee of an export enterprise who was in employment as at 31 December 2019 bringing his monthly guaranteed income to Rs 10,235.

During the period under review, a total of Rs 430 million of Special Allowance was remitted to beneficiaries.

Rs 151 million of tax collected from film production and film studio companies and their employees were transferred to the **Film Production Fund** in FY 2020/21.

Under the **VAT refund scheme on residential building or apartment**, VAT paid up to an amount of Rs 500,000 on the construction of a residential building or the purchase of a residential apartment or house from a property developer is refunded to citizens of Mauritius, whose annual net income for income tax purposes and that of his spouse does not, in the aggregate, exceed 3.5 million rupees. The amount repaid in FY 2020/21 stood at Rs 89 million.

VAT refund scheme for agro-industrial, fisheries, bakery and music sector was initiated in 2012 to provide fiscal incentive to encourage small farmers to adopt modern technologies for increased farm efficiency and productivity. The scheme has been extended to the bakery sector, tea cultivators and to musicians and during the year under review, Rs 5 million was refunded.

Following Government's decision to provide financial support to Small and Medium Enterprises (SMEs) for the payment of **Salary Compensation 2021**, the MRA refunded the salary compensation amounting to Rs 375 for each full-time employee earning a basic wage or salary of up to Rs 50,375. As regards Export Enterprise SMEs, Rs 235 is refunded in respect of each full-time employee who is a Mauritian citizen and the remaining Rs 140 is credited directly to the bank account of these employees. In FY 2020/21, Rs 9 million was refunded to 752 SMEs in respect of 16,135 employees.

10.5. The Way Forward

In its July 2021 World Economic Outlook (WEO) report, the IMF forecasted world output to grow by 6% in 2021 and 4.9% in 2022. In the same vein, the World Bank predicted that global output growth would strengthen to 5.6 percent in 2021 and 4.3% in 2022.

Locally, a real growth rate of 9% has been estimated for the year 2021/22. The budgeted revenue to be collected by the MRA for the Consolidated Fund for the year 2021/22 has been set at Rs 108.5 billion. The collections in respect of the Contribution Sociale Généralisée (CSG) will henceforth be reported as proceeds for the Consolidated Fund and the forecast for FY 2021/22 is Rs 7.8 billion.

For comparison purposes, corresponding receipts of CSG and NPF have been included as collections for the Consolidated Fund in FY 2020/21. Hence, the projected revenue growth for the Consolidated Fund in FY 2021/22 is 27.9%. Table 10.3 depicts the projected FY 2021/22 receipts by tax type.

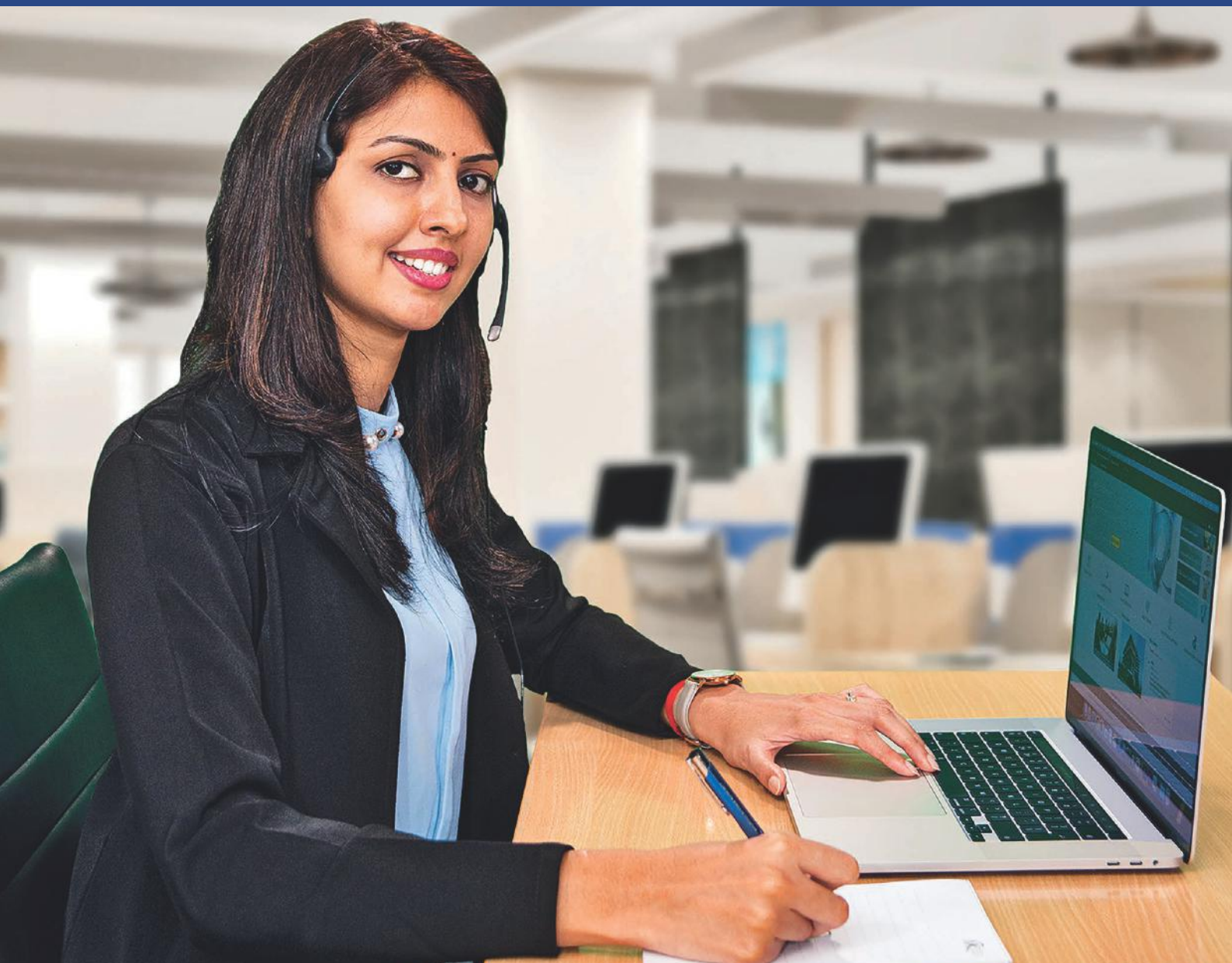
Table 10.3: Budgeted Collections for FY 2021/22

Type of Revenue	Actual July 2020 - June 2021 (Rs m)	Projected July 2021 - June 2022 (Rs m)	Growth
Corporate Tax	11,776	15,018	27.5%
Income Tax	11,560	13,000	12.5%
Tax Deducted at Source	1,821	1,882	3.3%
Value-Added Tax	28,579	39,528	38.3%
Customs duties	1,180	1,500	27.1%
Excise duties	18,680	22,170	18.7%
Taxes on Gambling	1,774	2,821	59.0%
Passenger Fee	24	1,605	6587.5%
Special Levy on Banks	950	1,100	15.8%
Special Levy on Telecommunication	157	500	218.5%
COVID-19 Levy	1,439	1,000	-30.5%
Environment Protection Fee	89	372	318.0%
Advertising Structure Fee	46	54	17.4%
Contribution Sociale Généralisée (CSG)/NPF	6,555	7,800	19.0%
Miscellaneous	252	172	-31.7%
Total to Consolidated Fund	84,882	108,522	27.9%





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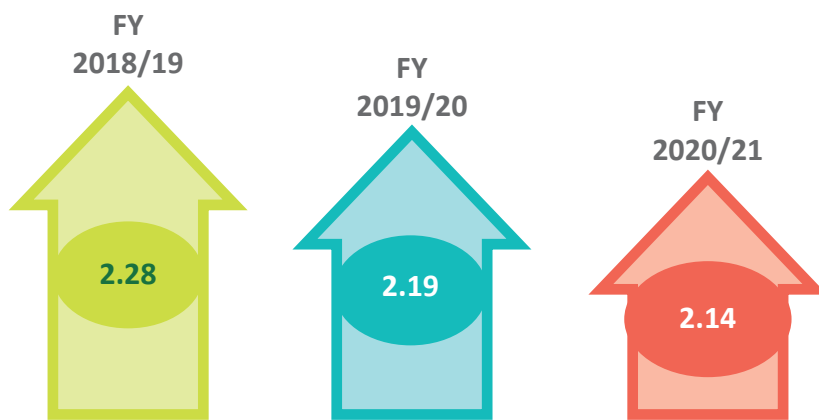
11. STRATEGIC OUTCOME: EASING TAX COMPLIANCE

Costs of collection	
	Rs 2.14 for every Rs 100 revenue collected
Tax Register	
	Individuals : 494,108 Companies : 78,735 VAT : 21,801
On-time filing	
	Individuals : 88% Companies : 68% VAT : 84%
Tax Refund	
	94% income tax refunds made within 10 days 90% VAT repayment effected within 20 days
Arrears collection	
	Rs 1,720m collected as tax arrears
Tax Audits	
	2,837 comprehensive audits and 1,834 issue based audits
Assessments	
	4,770 assessments issued with tax yield of Rs 7,599.6m
Investigations	
	343 investigations completed with total tax yield of Rs 477.8m
Objections	
	2,519 cases determined with tax amount of Rs 7,499.7m
Prosecutions	
	6 cases lodged for prosecution
International cooperation	
	44 DTAs, 11 TIEAs and 10 Protocols in force

11.1. Costs of collections

While fulfilling its revenue collection functions and payment of government allowances under various assistance Schemes, the MRA has to strike a balance between the costs of compliance by taxpayers and its own operating costs.

The cost of administration of all taxes by the MRA as a percentage of total revenue has reduced to 2.14% in FY 2020/21 compared to 2.19% in FY 2019/20. This indicates that while in FY 2019/20, it was costing Rs 2.19 to collect every Rs 100, in FY 2020/21, it took the MRA only Rs 2.14. The declining trend in this key performance variable is an important indication of efficiency gain in revenue collection over time by the MRA.



11.2. Taxpayer Registration

11.2.1. Detection of new taxpayers

As part of its strategy to maintain an efficient tax payer registration system, the MRA detects businesses and individuals who are required to register but fail to do so. During the year under review, the Authority has brought 14,901 new taxpayers into the tax net through intelligence and its data matching exercise.



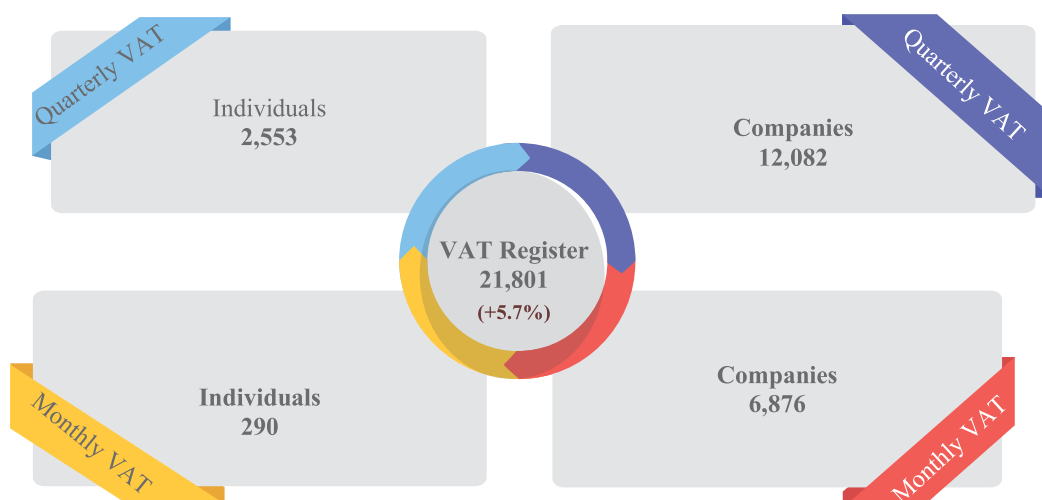
11.2.2. Income Tax Register

	New Registration in FY 2020/2021	On Register as at 30.06.2021	Growth
Employees	215,254	417,249	104%
Self-Employed	4,226	76,859	4.3%
Companies	5,548	78,735	1.8%
Sociétés	142	6,110	1.0%
Successions	45	2,511	1.8%
Trusts	392	918	70.9%

During the last four years, the MRA has been providing income support to low income earners. In order to ensure proper verification and prompt payment, the MRA has started building its registration database. Hence, employees who may not be subject to PAYE, since they earn less than the income exemption threshold, are being registered mainly for the purposes of operating our income support functions. During the year under review, 215,254 employees were registered by the MRA.

11.2.3. VAT Register

During the FY 2020/21, the MRA jointly with the Corporate and Business Registration Department (CBRD) developed a new facility for online VAT registration of a company on incorporation through a single process. Under this system, once registered as a company by the CBRD, the MRA informs the company of its VAT registration status and the assigned VAT Registration Number. This ensures that registration can be completed within minutes instead of the average normal 3 days target. For the FY 2020/21, a growth of 5.7% in the VAT register was observed.

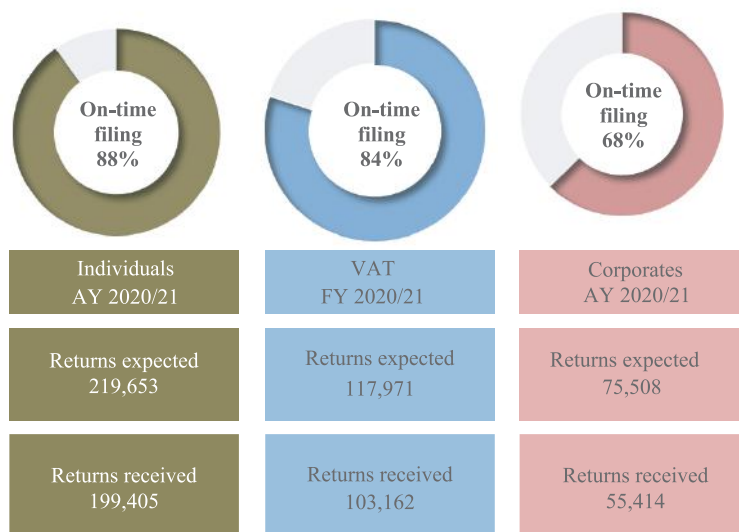


11.2.4. Other Register



11.3. Return filing

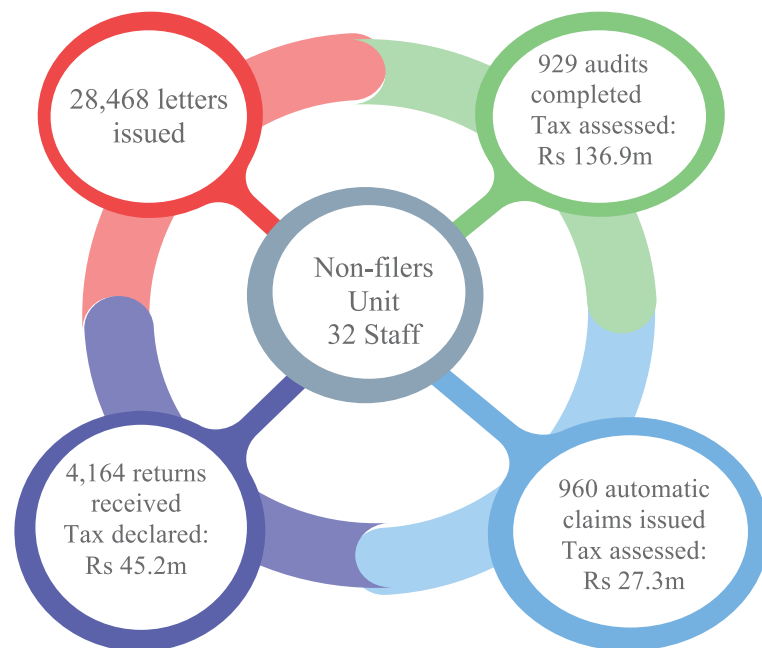
During the 15 years of its operation, the MRA has been continuously expanding its network of third party information sources. As a result, it is in a position to provide pre-populated individual tax returns to speed up the process of filing a tax return and at the same time make it easier for completing the tax forms on time with minimal error.



It is to be noted that despite the prevalence of the COVID-19 pandemic in FY 2020/21, the on-time filing rate was stable across all the tax heads thus reflecting a culture of strong voluntary compliance amongst taxpayers.

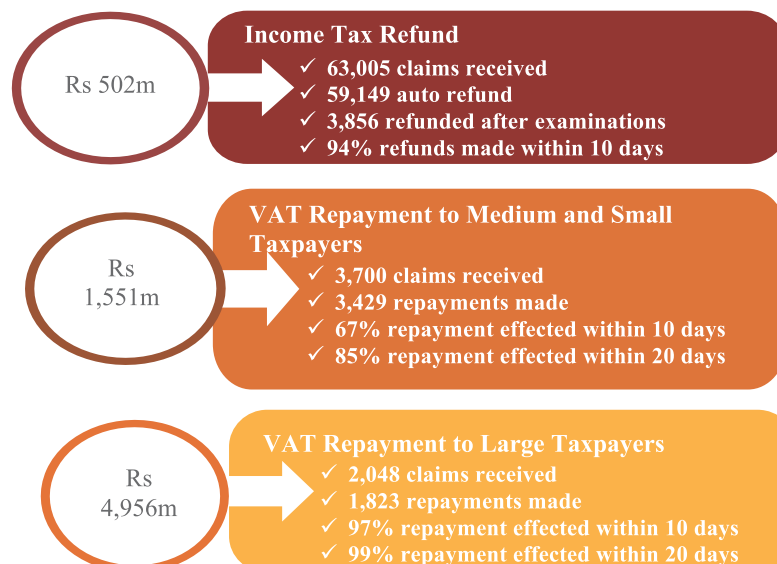
11.3.1. Non-filers

As our tax system operates on a self-assessment one, the MRA pays particular attention to those who fail to file their tax returns. At the level of the revenue authority, non-filers are followed through a range of enforcement actions, including prosecution.



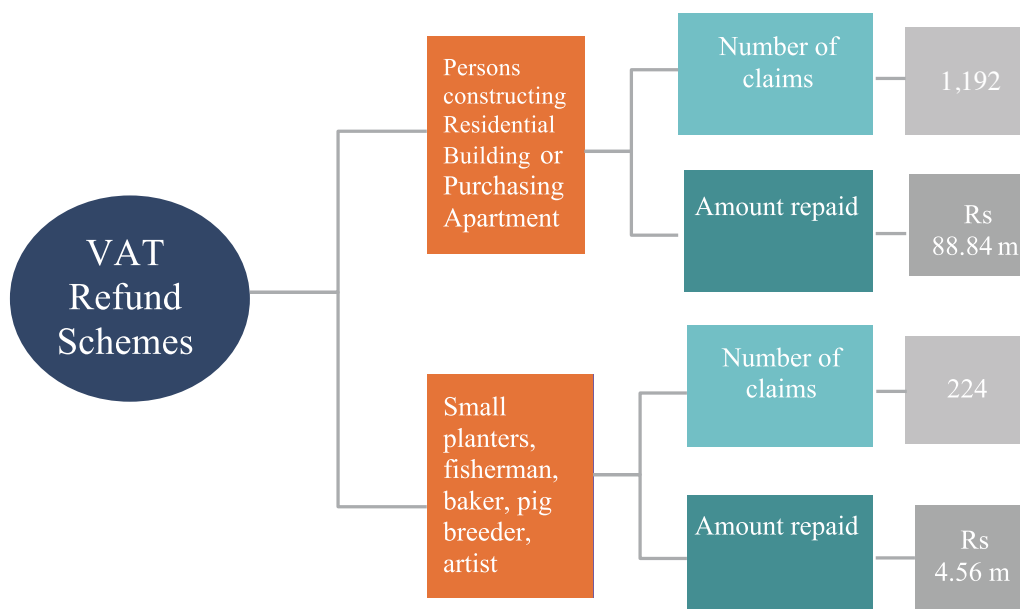
11.4. Refunds and Repayment

Amount refunded



11.4.1 VAT- Refund Schemes

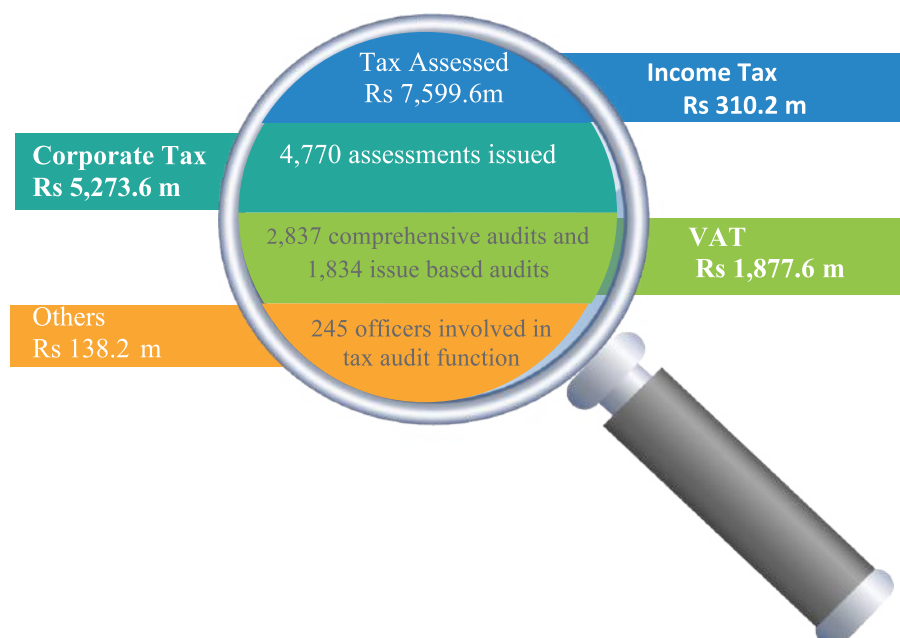
The MRA is also required to effect VAT refund under various incentive schemes put in place by the Government. During the FY 2020/21, the MRA refunded VAT claimed under these schemes as follows:



11.5. Audit and Investigation

Our audit and investigation functions play a critical part in protecting the integrity of our tax system. To provide assurance to all compliant taxpayers, the tax administration applies a risk based approach in directing its compliance efforts towards non-compliant taxpayers for an effective tax audit or investigation outcome.

11.6. Assessment Performance

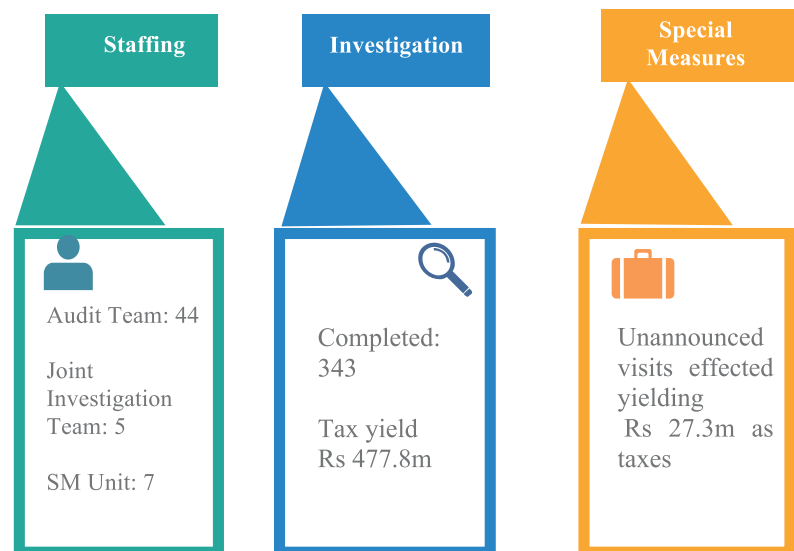


For the FY 2020/21, the total tax yield from our audit and compliance interventions amounted to Rs 7,599.6 million. This represents an increase by more than four folds from the corresponding previous financial year and the highest increase was mostly generated from tax assessed under corporate entities.

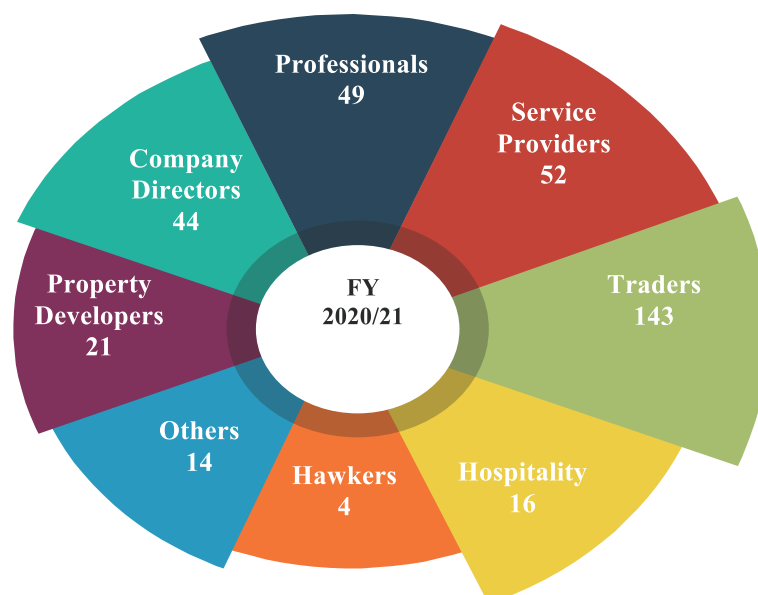
11.7. Investigation Performance

At the MRA, the Fiscal Investigation Department undertakes investigation into serious suspected cases of tax evasion. During the FY 2020/21, it was also involved in identifying cases of tax evasion which constituted a predicate offence to money laundering.

The AML/CFT Unit of the Department referred 18 cases to the Independent Commission against Corruption (ICAC) for money laundering (ML) investigations, having tax evasion as predicate offence. The tax amount involved in these cases was to the tune of Rs 73.4 million.



11.8. Investigation by business activities



11.9. Tax compliance performance of High Networth Individuals (HNWIs)

The tax compliance of 2,296 individuals is monitored by the HNWIs Unit. During the FY 2020/21, 59 high networth individuals were audited whilst 191 HNWIs were registered..



11.10. Objections and Appeals

Our fiscal system provides for a graduated mechanism of administrative and judicial review to be used by aggrieved taxpayers. The first stage of administrative review process is carried out by the Objections, Appeals and Dispute Resolutions (OADR) Department of the MRA. The OADR Department is both physically and organizationally independent of the Compliance Departments having issued the claims or assessments to taxpayers.

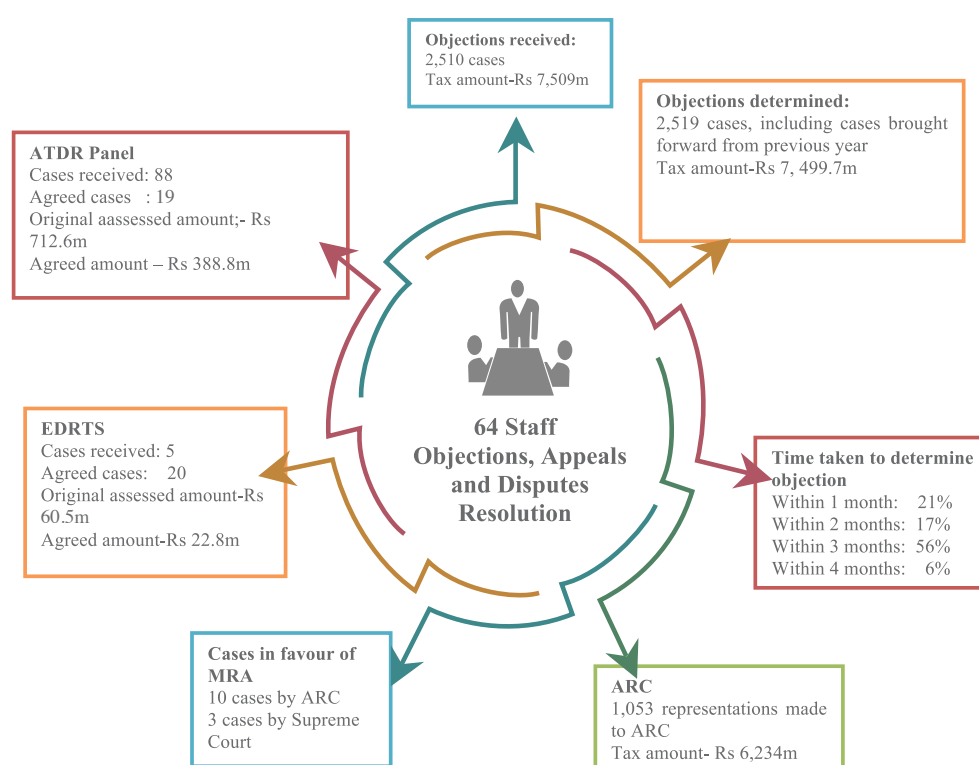


Table 11.1: Status of Objections and Appeal, FY 2020/21

Details	Objections			ARC			Supreme Court					
	Individuals		Corporates	Individuals		Corporates	Individuals		Corporates			
	No	Amount (Rs)	No	Amount (Rs)	No	Amount (Rs)	No	Amount (Rs)	No	Amount (Rs)		
Cases as at 01 July 2020	94	17,739,405	127	77,541,992	835	1,064,594,333	1,659	16,564,651,168	21	38,434,545	20	223,822,307
Cases received	915	316,487,847	1,595	7,192,515,559	359	205,994,664	694	6,028,016,650	4	776,163	6	15,929,493
Cases determined	892	301,328,777	1,631	7,204,033,048	506	322,125,348	793	1,795,625,871	-	-	5	7,968,573
Cases as at 30 June 2021	117	32,898,475	91	66,024,503	688	948,463,649	1,560	20,797,041,947	25	39,210,708	21	231,783,227

11.11. Prosecution

All taxpayers have an obligation to fulfill their tax obligations as per the relevant provisions of tax legislations. Where tax offences have been committed, a taxpayer may on conviction by the Court be liable to a fine and even subject to imprisonment. Prosecution of tax offence cases at the MRA is handled by its Legal Services Department and the latter is assisted by a team of police officers to carry out enquiries in respect of suspected offences under the various Revenue Laws.

Status of prosecution cases for the FY 2020/21

	Prosecution cases lodged during the year		Cases where Court decision given		Prosecution cases as at 30 June 2021	
	Nos	Amount (Rs)	Nos	Fine imposed (Rs)	Nos	Amount (Rs)
VAT	2	65,000	1	7,600	9	29,577,668
Income Tax	3	20,000	3	7,800	6	15,835,501
Excise	1	-	1	6,100	2	-
Customs	-	-	4	48,200	2	213,371

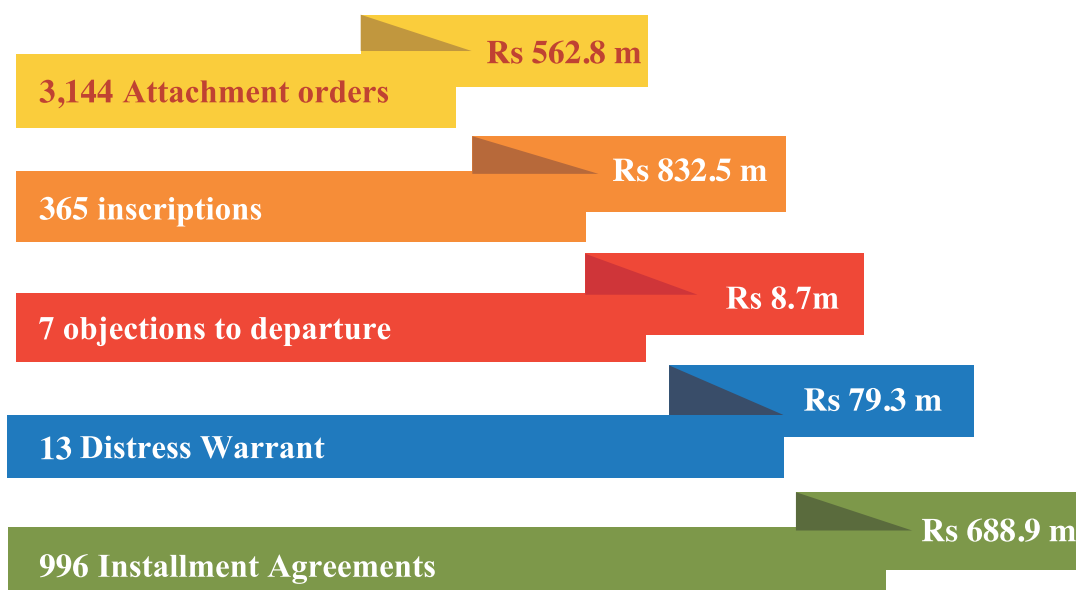
11.12. Prosecution by types of offences

Nature of Offences	Number of cases
Customs & Excise offences (false entry, failure to declare, wrong classification, false certificate etc.)	6
Failure to- pay tax, issue receipt, keep records, display certificate under the VAT Act	8
Failure to pay income tax	3
Trading without licence under the Excise Act	3
Other offences :	
Failure to keep books and records (Income Tax)	1
Failure to produce books and records (Income Tax)	2
Failure to submit return (Income Tax/ Value Added Tax)	4
Holds himself out to be a registered person whilst not being a VAT registered person	1

11.13. Debt Management Performance

Where the debt of a taxpayer becomes payable, he must arrange to settle the tax within the due date. Otherwise the person may be subject to enforcement actions by the revenue authority and have penalties and interest added to what is owed. During the FY 2020/21, there were 45 officers assigned to the debt recovery function. In response to the COVID-19 pandemic which affected the cash flow of taxpayers, the MRA provided installment arrangements to some taxpayers for the settlement of their tax debt.

11.14. Enforcement Actions



11.15. Tax Arrears Settlement Scheme (TASS)

TASS was extended in November 2020 with respect to VAT, Income Tax and Gaming and Betting debts. Under this scheme, a taxpayer joining the Scheme by 30 June 2021 benefits from full waiver of penalties and interests provided that the tax arrears outstanding as at 31 October 2020 are fully paid by 31 December 2021.

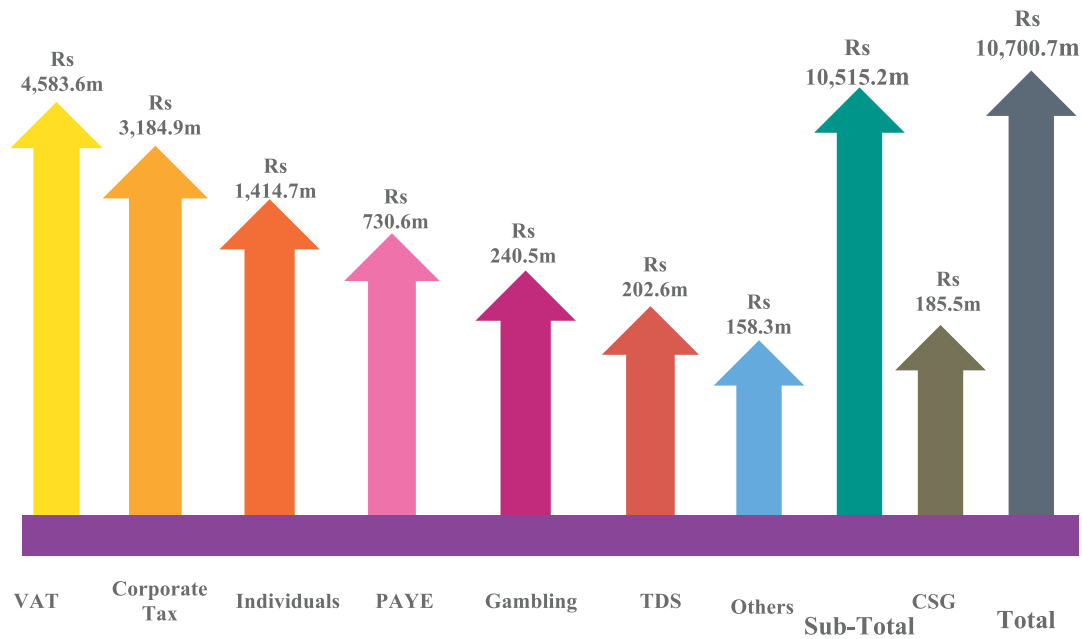
Table 11.2: Agreement under Tax Arrears Settlement Scheme

	Income Tax	Corporate Tax	VAT	PAYE	TDS	Total
Number of cases	1,080	1,757	1,417	739	267	5,260
Tax Debt (Rsm)	113.0	235.6	560.8	51.6	8.0	969.0

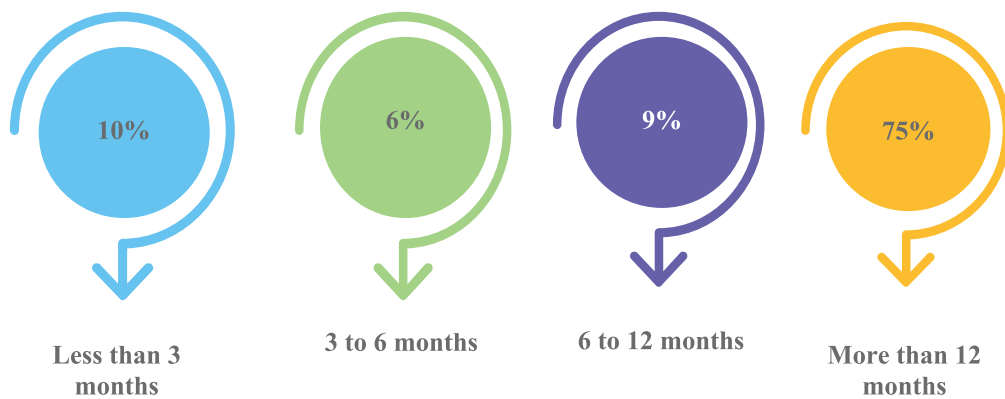
It is noteworthy that Rs 184 million of the Rs 969 million committed debt was already collected as at 30 June 2021.

11.16. Status of collectible tax debt

The total tax debt excluding CSG, available for collection as at 30 June 2021 stood at Rs 10,515 million and was 19% higher from similar period last year. The major increase was noted under corporate tax which grew by 38% from previous fiscal year.



11.17. Age analysis of collectible tax debt



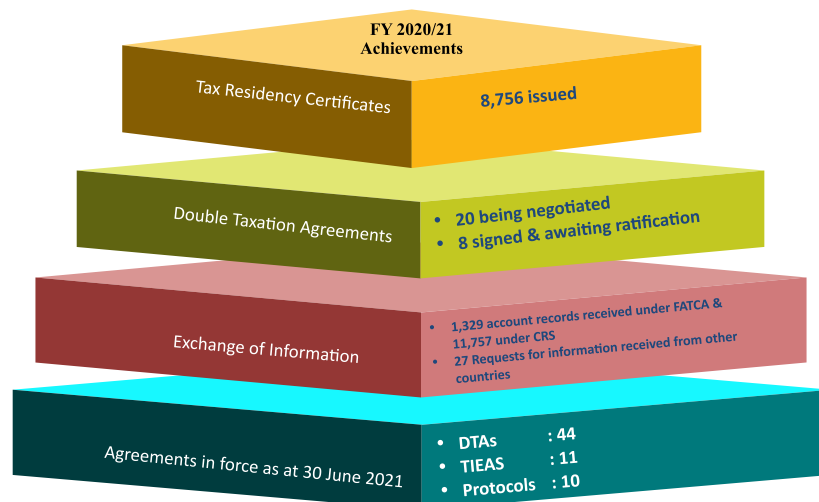
11.18. Stock of Social Security Contributions arrears

Effective from January 2018, the MRA was entrusted with the responsibility of the contribution function of the Social Security Contributions and recovery actions are initiated in case of default in payment. As at 30 June 2021, the total collectible Social Security Contributions were Rs 1,665.5 million and were decomposed as follows:



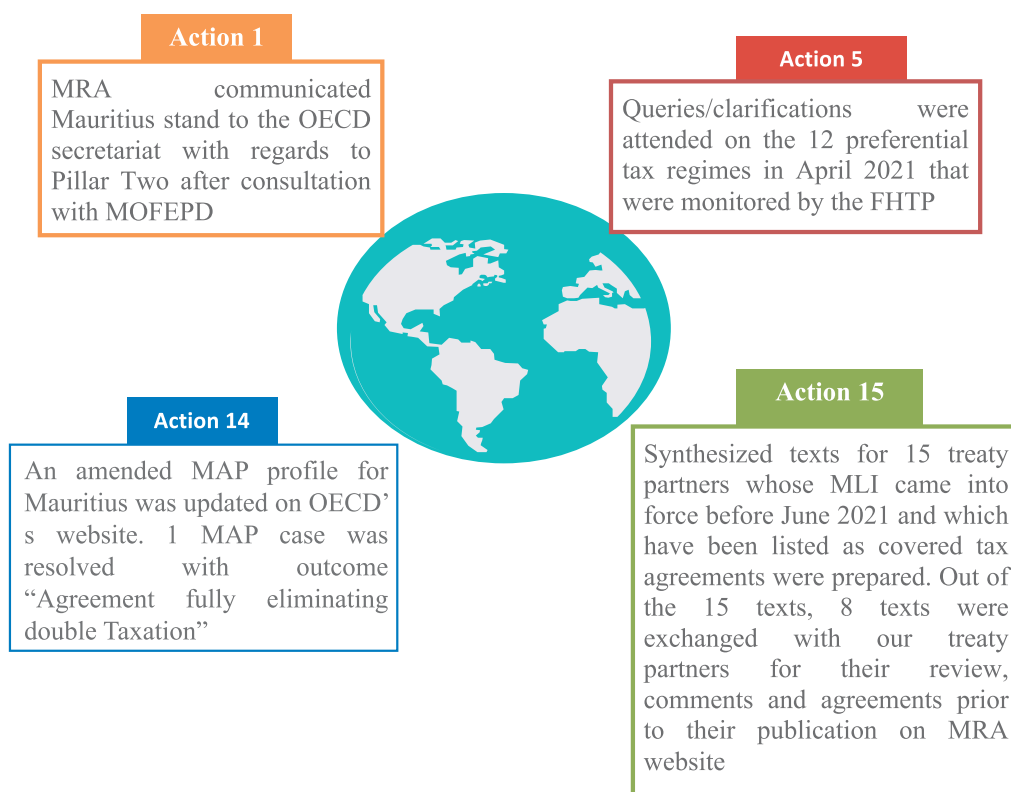
11.19. Our engagement with international stakeholders

With growing cross border economic transactions, it is important to maintain and expand our network of international tax cooperation for the operation of a proper and fairer tax system. The MRA has a dedicated International Taxation Section comprising of 24 officers to deal with issues related to international taxation and tax treaties.



11.20. Participation in Global Framework

In October 2015, the OECD had published the ‘final’ reports in relation to all 15 BEPS Action and made recommendations to address international tax avoidance as well as increasing transparency of each jurisdiction’s tax system. Over the past years, the MRA has been actively involved in implementing those recommendations and during the FY 2020/21, further works were carried out in some areas provided below.



11.21. MRA Rodrigues

Taxpayers in Rodrigues have equally to comply with the revenue legislations as their Mauritian counterparts and any non-compliance is sanctioned by enforcement actions. The performance of the MRA Office in Rodrigues in terms of the key indicators is provided in Table 11.3.

Table 11.3 : MRA Rodrigues performance–Some key indicators				
	New Taxpayers Registered	Revenue collected	Number of Assessments issued	Amount Assessed
Income Tax	1,903	Rs 22.7m	60	Rs 4.6m
VAT	12	Rs 37.4m	4	Rs 3.6m
Employers (PAYE)	90	Rs 31.2m	-	-

11.22. Initiatives for FY 2021/22

- An Audit documentation for Fiscal Investigation Department officers will be prepared.
- Parallel investigations with other Law Enforcement Agencies will be conducted as per the FATF recommendations.
- A Taxpayer Compliance Program will be set up based on the “Know Your Client” policy.
- To increase the efficiency and productivity of the entire audit process, the Team Mate software will be put into use.
- Papers and proposals from the OECD Secretariat under Pillar 1 and Pillar 2 will be strictly monitored and commented.
- Opportunities for expanding the tax treaty network will be given due consideration, in consultation with MOFEPD.



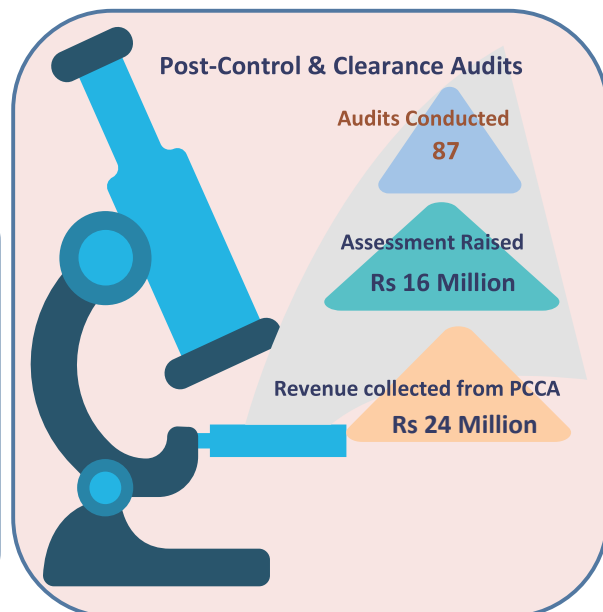
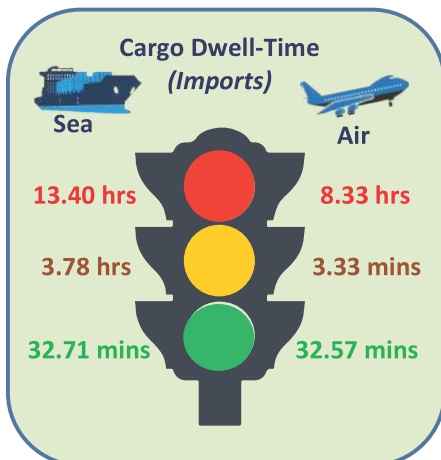
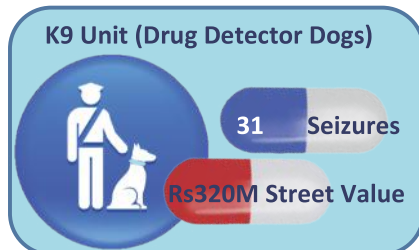
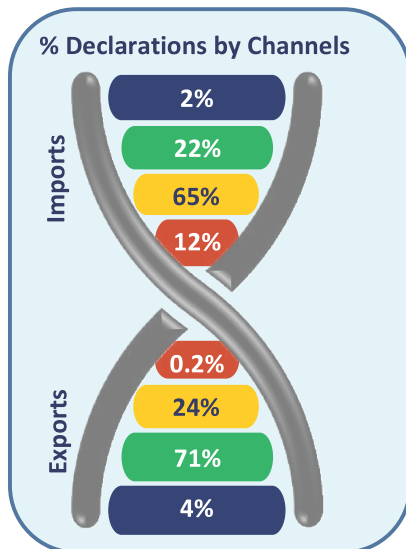


Safeguarding & protecting our borders...



...have always been our priority

12. STRATEGIC OUTCOME: FACILITATING TRADE AND REINFORCING BORDER SURVEILLANCE



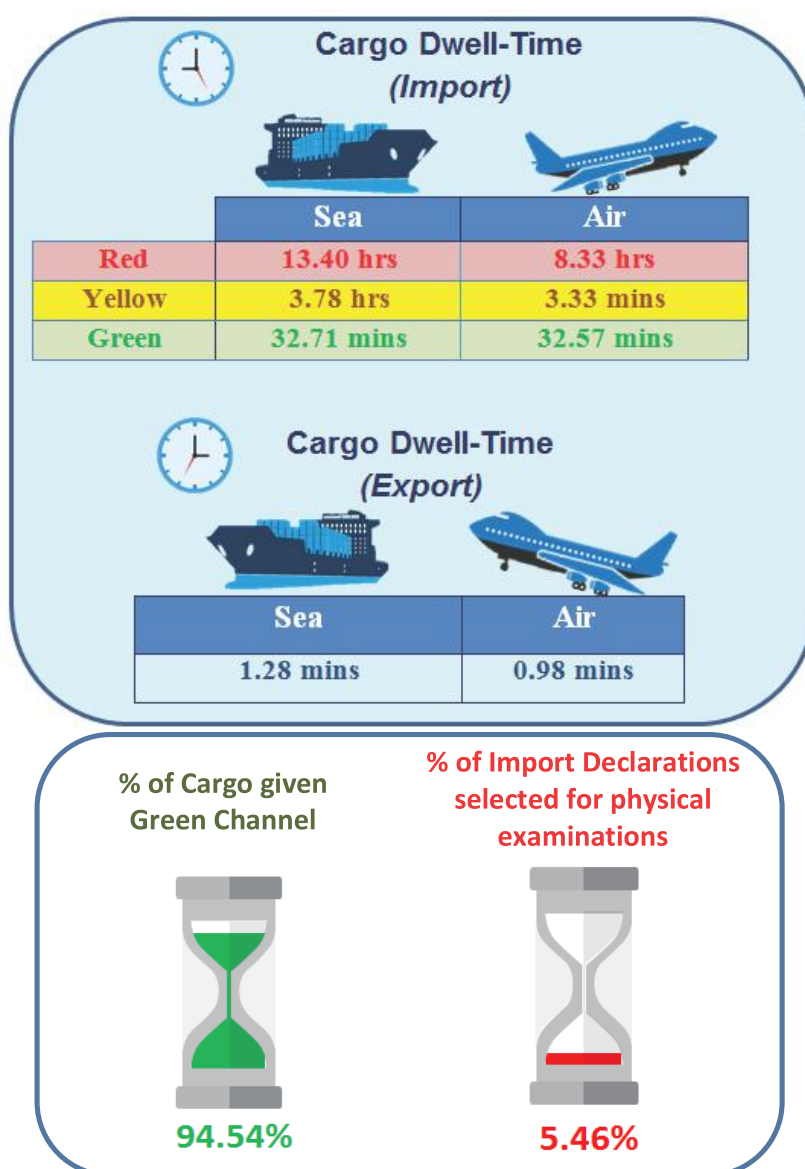
12.1. Trade Facilitation Performance

12.1.1. Declarations processed

Table 12.1: Customs Declarations Processed – FY 2020/21

Details	Imports	Exports
Number of Customs Declarations processed	175,299	56,793
<i>Of which</i> (a) Red Channel	21,224	91
(b) Yellow Channel	113,208	13,887
(c) Green Channel	37,843	40,313
(d) Blue Channel	3,024	2,502

12.1.2. Dwell-Time of Cargo at Customs for the FY 2020/21



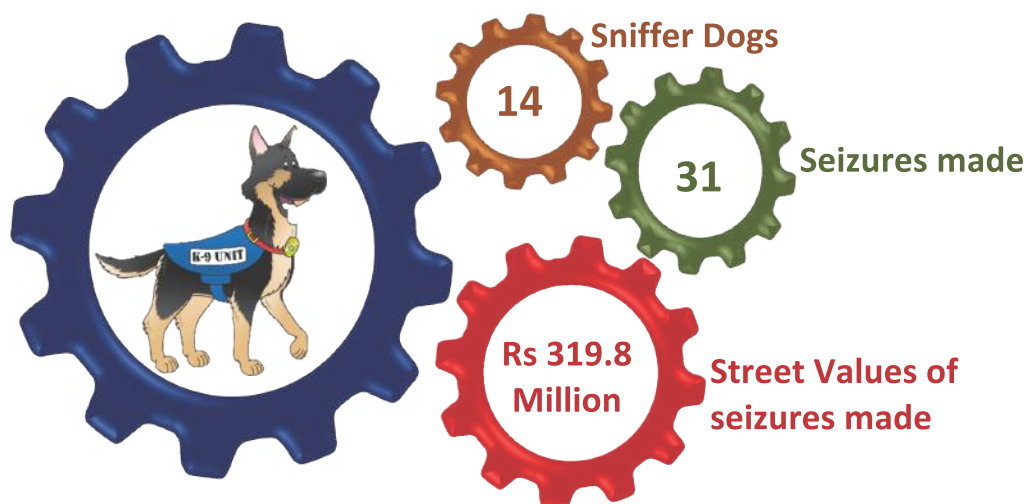
12.2. Border Enforcement Performance

12.2.1. Narcotics seizures

Table 12.2: Narcotics seizures for the FY 2020/21

Description	Weight / Qty	Street Value (Rs)
Heroin	15,257.81	228,867,150
Synthetic Cannabinoids	4,298.11	64,451,100
Cocaine	2,558.74	38,381,100
Cannabis	378.58	191,388
Hashish	57.61	172,830
Psychotropic Substances	6 (tabs)	9,000
Cannabis Seeds	61 units	6,100
Total		332,078,668

Narcotics seizures made by sniffer dogs during the FY 2020/21



12.2.2. Other contraband & seizures

Table 12.3: Breaches for non-compliance for the FY 2020/21

Details	Number of Cases	Value (Rs)
Currency – Undeclared	3 cases	2,897,551
IPR seizures	120,800 pcs	98,400
Roll your own cigarette paper	301,440 pcs	120,575
Other items	160,500 pcs	67,535
Total		3,184,061

12.2.3. Customs enforcement outcomes

Table 12.4: Customs Enforcement Interventions

Details	FY 2020/21
Total number of seizures from Customs enforcement interventions	66
<i>Of which</i> (a) Number of seizures from smuggling	54
(b) Number of seizures from other offences	12
Total recoveries from customs enforcement interventions (Rs)	6,784,629
<i>Of which</i> (a) Amount recovered from smuggling (Rs)	379,362
(b) Amount recovered from other seizures (Rs)	307,353
(c) Amount recovered from Post Entry (Rs)	6,097, 914

12.2.4. Excise enforcement outcomes



**1 breach for non-compliance of
Excise Stamps on Alcoholic
Products**

12.2.5. Containers/consignments scanned

Table 12.5: Outcomes for Containers/Consignments scanned for the FY 2020/21

Details	Port	Airport	Total
Number of containers / consignments x-rayed	32,993	378,111	411,104
Number of suspect containers/consignments	534	30,390	30,924
Number of offences detected	153	268	421
Duties and taxes collected from the offences detected (Rs)	1,290,942	703,524	1,994,466

12.2.6. Post-Control and Clearance Audits

Table 12.6: Outcomes for Post Control and Clearance Audits for the FY 2020/21

Details	Post-Control Audit (PCA)	Post-Clearance Review of Declarations (PCRD)
1. Number of Staff posted in the PCCA/PCRD Units	11	15
2. Number of audits conducted	87	
<i>Of which (a) Number of Desk audits</i>	11	
<i>(b) Number of Field audits</i>	66	
<i>(c) Number of Other audits</i>	10	
3. Revenue Assessed by the PCCA/PCRD (Rs)	16,065,319	
<i>Of which (a) Desk audits (Rs)</i>	414,010	
<i>(b) Field audits (Rs)</i>	5,820,686	
<i>(c) Other audits (Rs)</i>	9,830,623	
4. Revenue Collected by the PCCA/PCRD (Rs)	15,151,188	8,993,087
<i>Of which (a) Desk audits (Rs)</i>	287,137	
<i>(b) Field audits (Rs)</i>	5,910,827	
<i>(c) Other audits (Rs)</i>	8,953,224	

12.2.7. Customs Offence Reports (CORs) and Claims

Table 12.7: Duties, Taxes and Penalties from Customs Offence Reports (CORs)

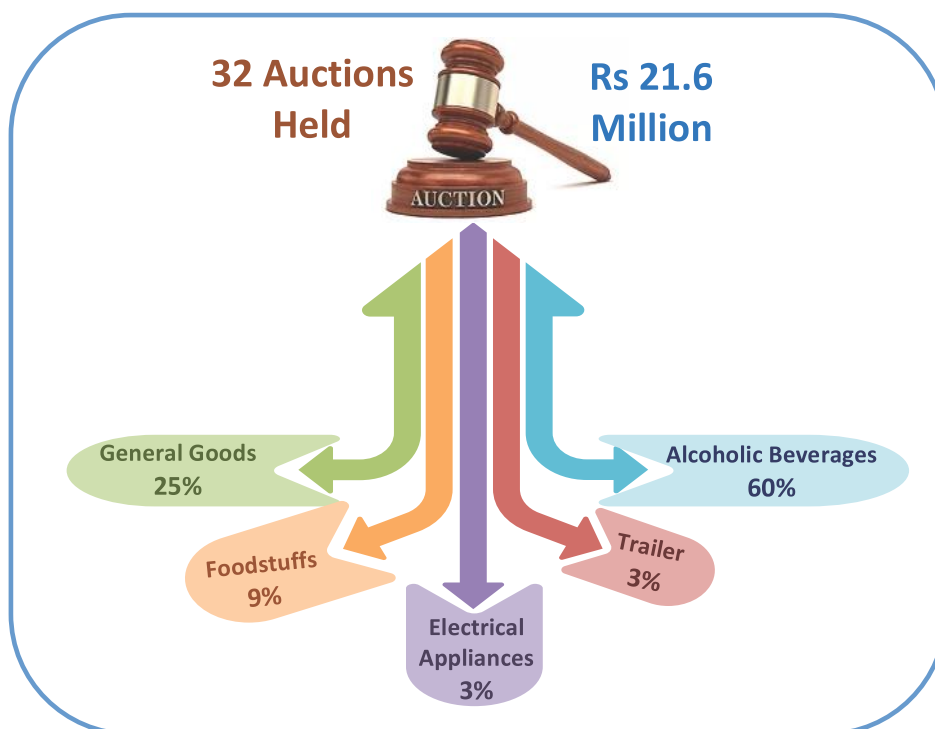
Details	FY 2020/21
Number of CORs raised	97
<i>Assessed Duties and Taxes (Rs)</i>	1,266,386
<i>Assessed Penalties (Rs)</i>	1,107,990
Total Revenue Assessed from CORs (Rs)	2,374,376
<i>Duties and Taxes collected from CORs (Rs)</i>	1,167,368
<i>Penalties collected (Rs)</i>	1,832,919
Total Amount Collected from CORs (Rs)	3,000,287

Table 12.8: Duty, Excise Duty and Taxes, Penalty and Interest from Claims

Details	FY 2020/21
Number of Claims raised	6,396
<i>Assessed Duties and Taxes (Rs)</i>	83,481,763
<i>Assessed Penalties (Rs)</i>	22,107,212
<i>Assessed Interest (Rs)</i>	4,546,904
Total Revenue Assessed from Claims (Rs)	110,135,879
<i>Duties and Taxes collected from Claims (Rs)</i>	56,810,186
<i>Penalties collected (Rs)</i>	9,961,348
<i>Interest Collected (Rs)</i>	611,750
Total Amount Collected from Claims (Rs)	67,383,284

12.2.8. Auction sales

The MRA Customs conducted a total of 32 e-Auction Sales exercises through the “Online Auction System” where a total sum of Rs 21.6 million was collected.



12.3. Initiatives and measures implemented

12.3.1. New Trade Facilitation measures implemented or under implementation

12.3.1.1. E-Courier platform

Though Customs is receiving electronic manifest data for all postal and courier consignments, the assessment of category 3 consignments has remained a manual process. This is a major shortcoming for Customs in terms of control, availability of statistics and management of payments. With the upsurge of online transactions due to the COVID-19 pandemic and the recent reduction of the exemption threshold for goods imported by Post or through a Courier Service, from Rs 3,000 to Rs 1,000, the MRA Customs was urged to come up with an electronic solution for the submission and processing of assessment for such consignments.

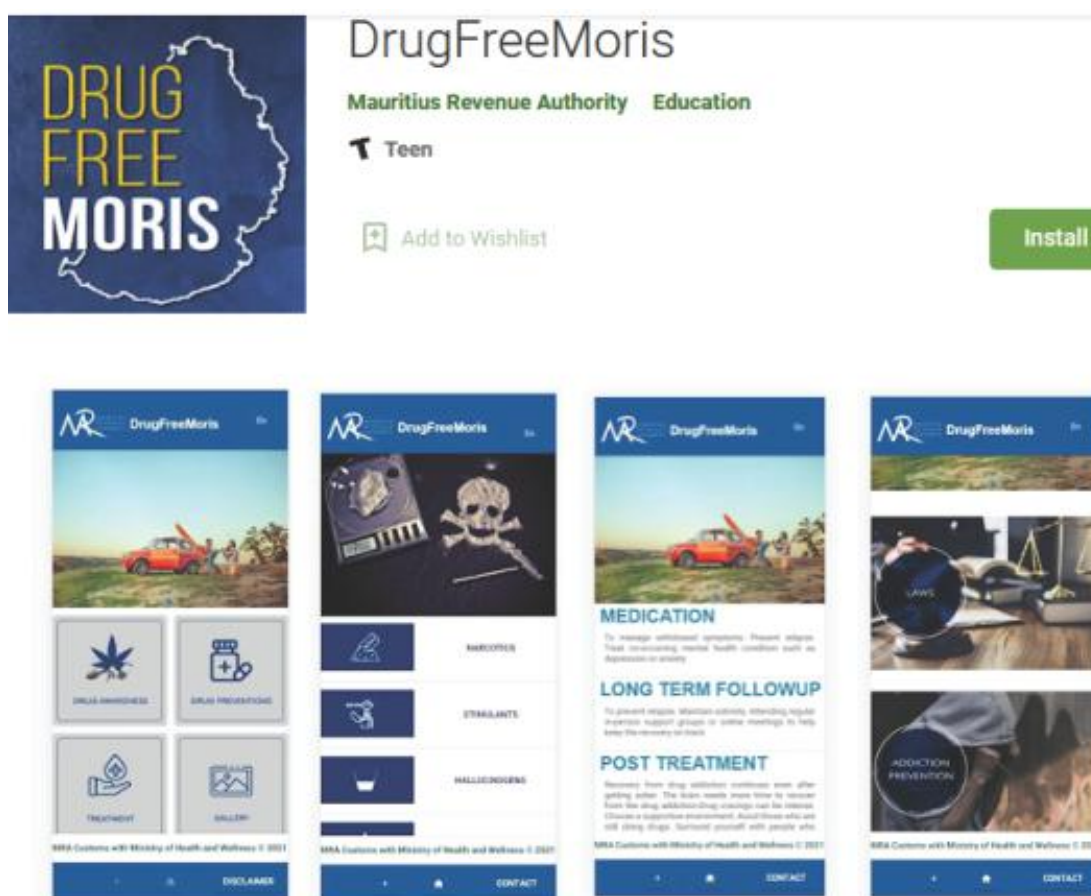
An e-Courier platform has been developed to cater for the following:

- Interfacing with proprietary systems operated by courier operators for system-to-system submission;
- Submission of individual assessments or in bulk from the platform by Courier operators;
- Submission of individual assessments from the platform by members of the public;
- Online payments of duty and taxes by both operators and members of the public in addition to cash payment facilities, and,
- A dashboard for the real-time monitoring of the status of assessments.

The pilot phase is currently in progress and will go live end of July 2021.

12.3.1.2. Mobile application to raise drug awareness in Mauritius – DrugFreeMoris

The objective of the mobile application – **DrugFreeMoris** – is principally for raising drug awareness in the Mauritian community. DrugFreeMoris comprises a number of features, such as, drug awareness, drug prevention and treatment, location of rehabilitation centres and testimonials of former drug addicts. The App is expected to provide support and educate people on reduction of drug dependency for students, communities and drug addicts. This mobile application can be downloaded from App Store or Google Play Store. The development of this mobile application is done in-house with the support of the Ministry of Health and Wellness in supplementing the contents of the features of the prevention, treatment and rehabilitation of drug addicts.



12.3.1.3. Integrated Governmental Clearance Centre (IGCC)

The IGCC building will be a one-stop-shop for cargo clearances, housing several border agencies under one roof so as to reduce dwell time at the airport. The construction of the building which started on 15th January 2020 is on-going and as at 22 June 2021 is 61% complete.

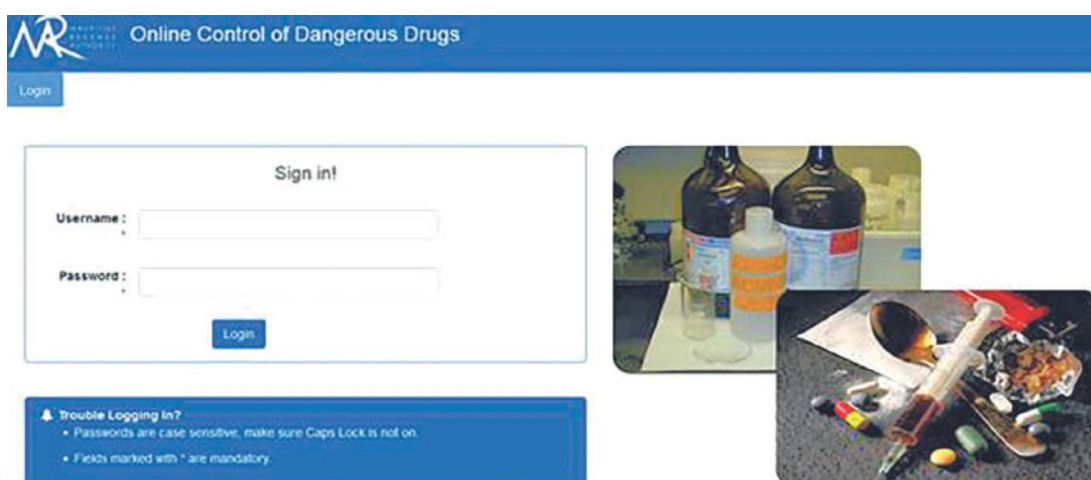
12.3.2. New Border Enforcement measures under implementation

12.3.2.1. Procurement of Dogs for K9 Unit

In line with the “**Drug Interdiction Program**”, the MRA Customs is in the process of expanding its K9 Unit by acquiring nine additional sniffer dogs by the end of July 2021. Through these additional acquisitions, the K9 Unit shall increase its effectiveness and efficiency in further securing and protecting our borders. The MRA Customs K9 Unit is expected to consist of a total of 20 sniffer dogs by end of 2021.

12.3.2.2. Online platform for the control of Precursor Chemicals along the supply chain

The setting up of this platform by MRA is in line with the recommendation of the Commission of Inquiry on Drug Trafficking which recommended for a centralised database to monitor in real time the importations and sales of precursors and dangerous chemicals and at the same time to flag to the Dangerous Chemicals Control Board and the Pharmacy Board of the excessive sale to a certain person/company over a certain period of time. Therefore, the aim of this online platform is for the MRA Customs to control along the supply chain substances used in the illicit manufacture of psychotropic substances and dangerous drugs.



12.3.2.3. Application for sharing of information on small vessels, boats and yachts at regional level

The development of an online platform by MRA Customs is done for sharing of information on small boats and yachts and on their movements in regional waters for enhancing controls. The information on small boats and yachts will be used to target the high risk boats and yachts on arrival. The collaboration of other Customs Administrations of the region is being envisaged to facilitate exchange of information at international level through Customs Mutual Administrative Assistance Agreement and other information exchange instruments.

12.3.2.4. Baggage scanner in the Port Area

A new baggage scanner has been installed since December 2020 at the Mauritius Ports Terminal so as to further enhance control on crew members, workers and other persons exiting the Port Area.

12.3.2.5. Body Worn Camera for Examining Officer

The MRA has procured some 100 body worn cameras which are used by examining officers during the examination of goods. These devices are fitted with audio, Wi-Fi, storage capacities and real-time viewing of images functionalities. The use of body worn cameras will boost trade facilitation as well as remove the discretionary powers of examining officers to allow delivery of goods which will thereafter be given by a panel of officers who will be posted at the headquarters. In fact, examining officers will be able to communicate with the officers at the headquarters concerning issues related to Valuation, Tariff Classification, IPR infringements, prohibited and restricted goods, counterfeit goods and illicit goods in real-time.

12.3.2.6. Connectivity upgrade (CHCL & MPA CCTV Cameras) for Port Surveillance

The CPU used to view the CCTV images from CHCL (and also for MPA new CCTV) was overloaded and affected the rendering of the images which froze constantly as intermediate links and network switches capacity were not appropriate for the fluid viewing. Whenever one of the switches got faulty or there was a power cut, images could not be seen until the switch replaced or issue was resolved. The installation of a fibre optic cable (single mode) from Custom House to the Port Area would eliminate the issue of intermediate point of failure and provide enough bandwidth to view all images at once and an installation of video decoders would provide for a more fluid viewing of the images. The project consisted of:

- Enhancement of connectivity between Custom House and CHL/MPA.
- Installation and commissioning of networking system. (Switches, serves, network cabinet).
- Installation and commissioning of decoders.
- Installation and commissioning of LED screens.
- Related electrical and cabling works.
- Installation of 12 core single mode optical fibre from Custom House to Port Area and related civil works for trenching (20 meters).

12.3.2.7. Air Export Module

As per Regulations 20(A) of the Customs Regulations 1989, a full and complete Outward manifest/ Export manifest shall have to be submitted to Customs in electronic format for export of cargo by air and implementation of this project will ensure compliance with the cited legal provision. This Air Export Module, when fully implemented, will allow Customs to attain several objectives namely:

- Comply with the Customs Cargo Community Regulations which provide inter alia for the submission of advanced cargo information before the cargo is exported from Mauritius.
- Streamline procedures in order to further facilitate trade and enhance risk management and control as recommended in the Revised Kyoto Convention and SAFE Framework of standards.

The Air Export module will allow for complete paperless air export procedures. Officers will have complete visibility of gate-in of air export consignments. This module will see the introduction of freight service provider, thereby indicating who will be responsible for the submission of the export manifest. The Pilot phase for Gate-In started on 15 February 2021.

12.4. Initiatives and measures for FY 2021/22

SN	Description	Briefs
1	Integrated Customs and Governmental Clearance Centre at the Airport	Construction of a new Custom House at the Airport so as to integrate clearance by all agencies and logistics facilities under one roof in order to facilitate trade and reduce cost of doing business. Status as at June 2021 – 61% completion
2	Central Control Room & Centralised Scanning Room	MRA Customs is aiming for one central control room which will comprise of 3 different components namely: (1) Scanning Room for receipt of live images from scanners for supervisory purposes, (2) Control Rooms for receipt of images through cameras worn by examining officers for supervisory purposes and (3) CCTV Control Room (MPA/CHCL/CFS, etc) Status: In progress. Expected Commissioning by end of September 2021

SN	Description	Briefs
3	Operationalization of a Full Body X-Ray Scanner at SSRIA Passenger Terminal and at Port	The main objective is to scan suspicious drug swallows arriving by air and sea. The actual procedures of suspected corporeal concealment of drugs to initiate formalities for medical examination, including x ray and other tests as may be necessary to detect the substance are very lengthy and time consuming. The installation of such body scanners have also been proposed in "The Commission of Inquiry on Drug Trafficking Report July 2018" to x-ray suspected 'mules' and/or any other state of the art apparatuses to examine individuals who have hidden drugs in their body cavities. Status: 1. Body scanner for airport already received at Lux Shed. Awaiting Factory Acceptance Test and commissioning. 2. For Port Body scanner, contract awarded to Rey Lenferna. Factory Test to be carried in Germany (Smiths Heimann)
4	Operationalization of two small baggage scanners at SSRIA for Staff Exit Departure Hall and VIP Lounge	Additional baggage scanners are required to enhance border security and Customs control at staff exits at SSRIA. Status: Scanner already received at Lux Shed. Factory Acceptance Test and Commissioning of scanners will be carried out by NUCTECH upon opening of borders.
5	Operationalization of one baggage scanner at SSRIA Passenger Terminal	This scanner will enhance border security and Customs control for arriving travellers in Mauritius. This scanner will help Customs officers to screen luggage of passengers for illicit goods. Status: Scanner already received at Lux Shed. Factory Acceptance Test and Commissioning of scanners will be carried out by NUCTECH upon opening of borders.
6	Operationalization of one baggage scanner at Port Mathurin Passenger Terminal (Rodrigues Island)	This scanner will enhance border security and Customs control for arriving travellers in Rodrigues Island. This scanner will help Customs officers to screen luggage of passengers for illicit goods. Status: Scanner already received at Lux Shed. Factory Acceptance Test and Commissioning of scanners will be carried out by NUCTECH upon opening of borders.
7	Setting up of a Drugloo Facility at SSR International Airport	There has been an important increase in the smuggling of illicit drugs into Mauritius through corporeal concealments (stuffed/swallowed). On numerous occasions, drug swallows have purged pellets of illicit drugs which they had swallowed in the airport compound. This is causing much inconvenience to law enforcement officers and the accused mainly in relation to the handling of the exhibits. The 'drugloo' would provide for automated of cleaning and recovery of the exhibits. Status: Delivery of equipment by Rey Lenferna is being awaited. ATOL will imminently start preliminary work on site identified for Drugloo.
8	Deployment of IBM Enterprise Insight Analysis Software	Software to be used for big data analysis from Customs Management System and other databases to identify trends and issue profiles for better risk assessment and enforcement actions. Enhanced intelligence building, better risk management to increase compliance. Status: Project Implementation in progress. Expected completion by September 2021.

SN	Description	Briefs
9	Acquisition of two (2) Double cabs vehicles with trailers for enforcement on borders and inland operations	These vehicles will help in the conveyance of officers to ensure full coverage of our borders and during inland operations. Trailers will be used for the transport of dingy boats to places where they need to be deployed.
10	Acquisition of two (2) Dingy inflatable boats with outboard motors	These inflatable boats will help in protecting our borders and territorial waters against drug trafficking, contraband and money laundering. These boats will enable rapid intervention at sea and for sea patrols.
11	Acquisition of Double cabs vehicles for K9 unit	The K9 unit is expected to expand by end of year 2021 with 9 new sniffer dogs and five additional dog handlers to be recruited. The vehicles will be used for conveyance of sniffer dogs at the place of deployment.
12	Procurement of 5 Scanners at SSR International Airport	The project consists of the procurement of X-Ray luggage scanners at all Customs examination counters in the red channel in the arrival hall and to enhance security and improve passenger clearance time. Status: Contract award to Rey Lenferna. Factory Test to be carried in China.(CETC)
13	Automation of Coastwise Trade Procedures	The project was initiated following a request from the MOFEPD for ways to ensure better and reliable statistics pertaining to coastwise trade and in particular with the Island of Rodrigues. The aims of the Project are as follows: 1. Reviewing the procedures to eliminate redundancies. 2. Automate the submission of coastwise customs declarations that is current made manually on prescribed forms linking it to the existing systems of the two (2) main stakeholders that is MSCL & ACSL. 3. Responsibility for recording the declaration data elements to the MSCL. Importers & Exported to however certify their respective declaration 4. Electronic processing of Coastwise trade BOEs by Customs. 5. Electronic Shipment/Delivery Allowed messages/statuses to ACSL and MSCL. 6. Reliable and instant statistics. Status: Development of first prototype completed at CMS / IT. User Acceptance Test in progress at Deferral Regime.
14	Implementation of HS 2022	HS 2022, which is the seventh edition of the Harmonized System (HS) nomenclature, is used worldwide for the uniform classification of goods traded internationally, and has been accepted by all Contracting Parties to the Harmonized System Convention. It shall enter into force on 1 January 2022. The new HS 2022 edition consists of a total of 351 sets of amendments covering a wide range of goods moving across borders. Status: Mauritius Customs has already started working on the HS 2022 to ensure its timely implementation on 01 January 2022. The Customs Tariff Schedule has already been updated up to Sub-Heading 8704.60.

SN	Description	Briefs
15	New CANS office and Scanner Monitoring Room at ACOS	With a view to enhancing border security and to combat the entry of illicit drugs, MRA Customs has identified a key project for upgrading controls at the ACOS Scanning Facility used by the CANS officers to scan packages imported by couriers. this new facility would ensure better control over suspected packages which may be thoroughly searched and eventual testing, weighing, sealing and photographing exercises may be carried in a more effective and secure way. The new office will provide for a more secure and discreet environment and eventually mitigate risks of leakage especially when illicit goods are detected. Status: Works will start soon. Expected target for completion by November 2021.
16	New office for unstuffing unit at ACOS	The new unstuffing office and meeting room at ACOS will need to be equipped with access to the Customs Management System and the internet, air-conditioners and furniture. Status: Works will start soon. Expected target for completion by November 2021.
17	Setting up of Visit, Board, Search and Seizure Simulator (VBS3) facility by UNODC	This simulator will consist of a structure comprising of nine 40ft containers stacked in a cubical form on a wharf and the inside refurbished with ship engines, crew cabin furniture and other features of a vessel. This facility will be used as a simulator of a ship for practical training for MRA and other regional enforcement agencies to enhance boarding, searching and tactical operations to combat contraband. Status: Materials cleared and stored at Auction Sales warehouse. Awaiting arrival of UNODC engineer for site selection by end of October.
18	WCO Cargo Targeting System	The WCO Cargo Targeting System (CTS) is a cargo manifest risk assessment solution developed by the WCO to enable its Members to carry out international best practice cargo risk assessment to manage risk and facilitate trade and thus implement key parts of the WCO's SAFE Framework of Standards and Kyoto Convention
19	Integrated Single Window for Trade – Phase 1 Drafting of Specifications	The implementation of the Integrated Single Window for Trade is an important national budgetary measure which was announced in the budget speech 2020/2021. It aims to further facilitate business related public service delivery and reduce the cost of doing business in Mauritius while ensuring faster clearance of consignments, more effective and efficient trade related processes. The Customs Management System (CMS), being the core system in the logistics supply chain, will be called to become the pivotal backbone of the Integrated Single Window and therefore its redevelopment would be done in parallel with the development of the MRA Web Application Portal which will host all Trade related services in Mauritius.



MRA celebrates the International Customs Day



Central Scanning Control Room



Body Worn Camera





Physical examination by Customs Officers



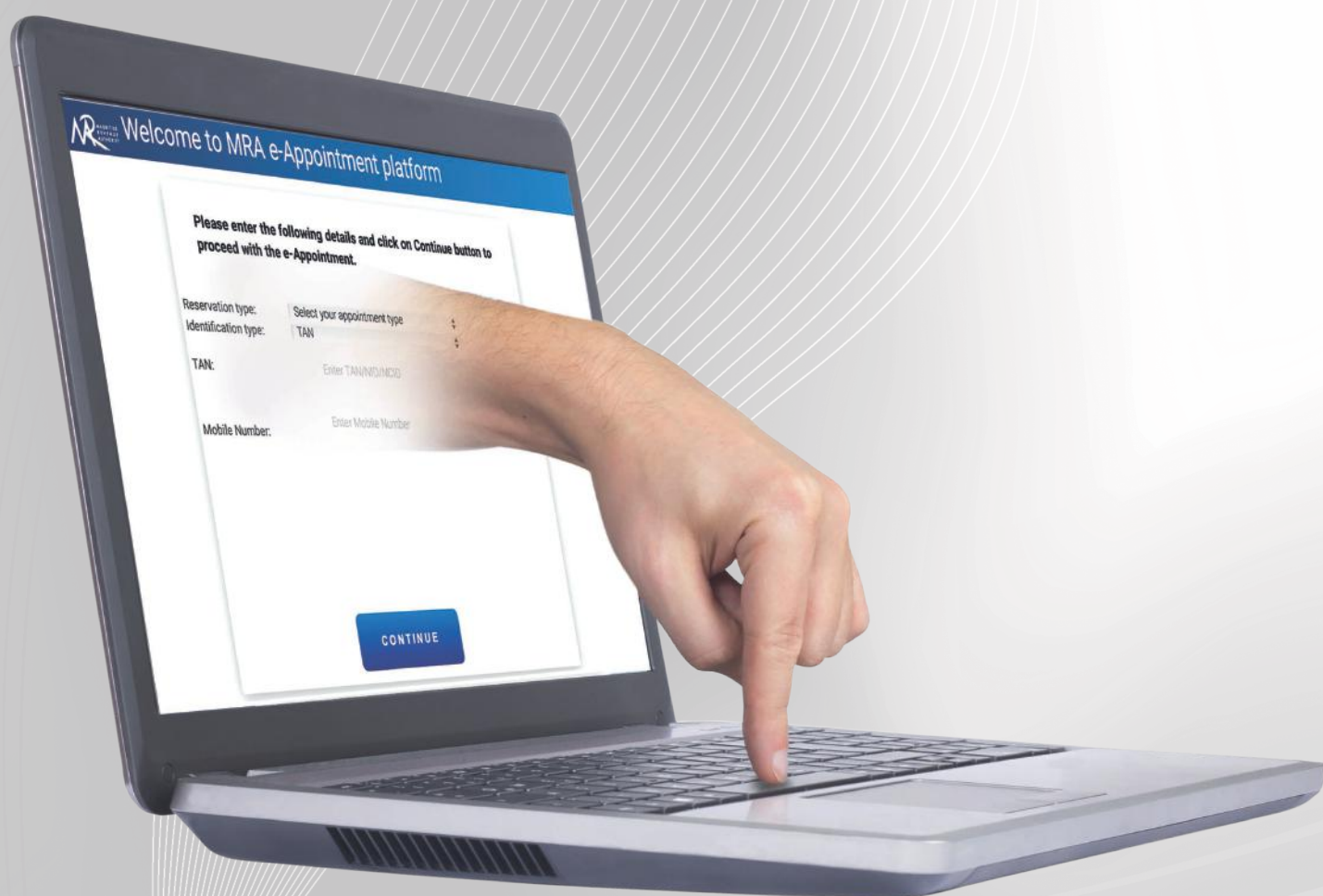
Drone being operated by Customs Officers





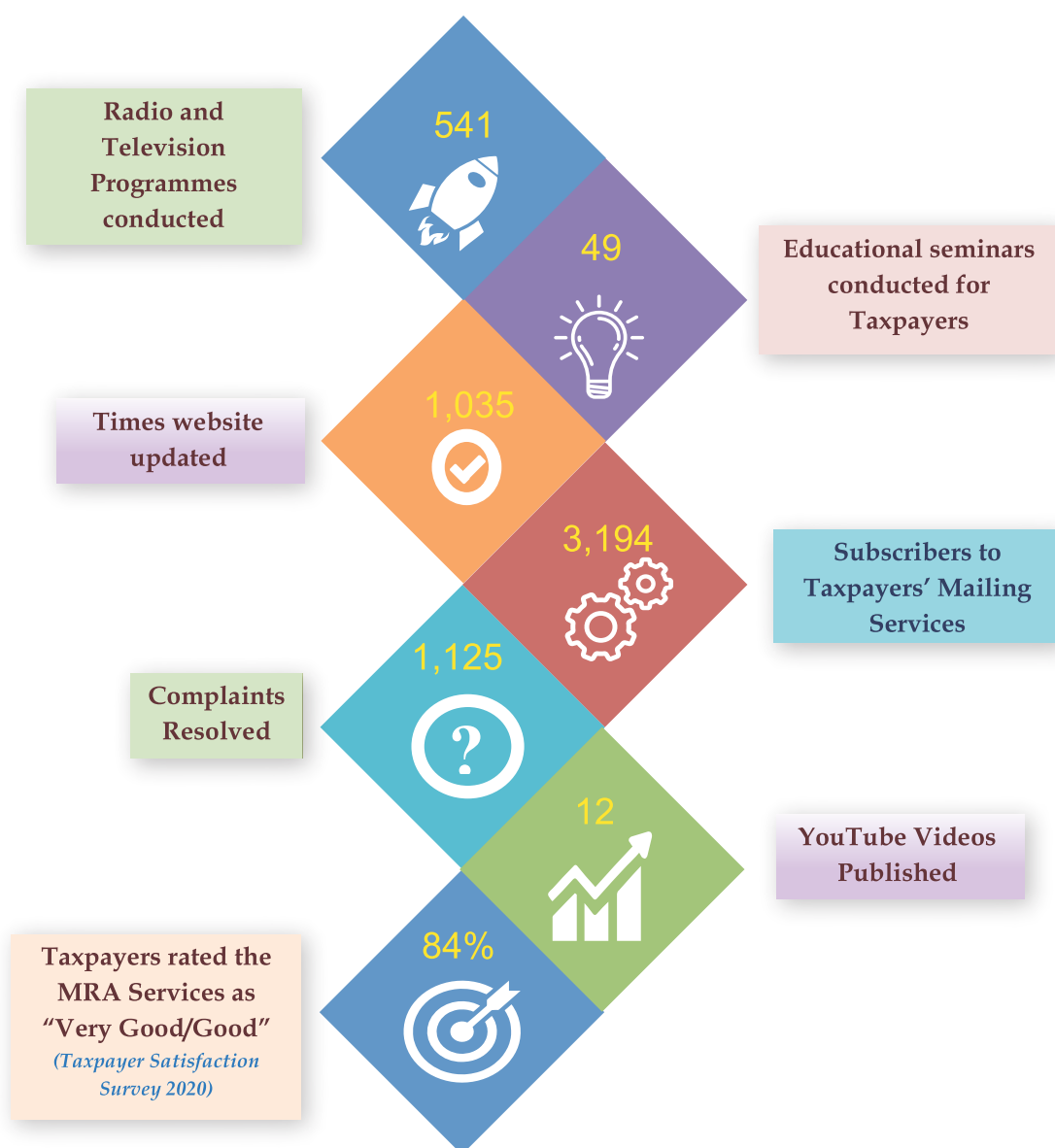


E-FITA Appointment System



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13. STRATEGIC OUTCOME: TAXPAYER EDUCATION, COMMUNICATION AND FACILITATION



13.1. Tax Education

One of the key strategic objectives of the MRA is to promote taxpayer education and provide a quality service to its taxpayers. It is a known fact that in countries where taxpayers are better aware of their tax obligations, the rate of tax compliance is higher.

13.1.1. Educating our taxpayers

During the year under review, the MRA conducted a series of awareness and educational campaigns on a wide range of issues as highlighted in Table 13.1.

Table 13.1: Awareness & Educational campaigns conducted

Details	Number of sessions	Target Audience
Awareness Raising Campaign dispensed of which		
(a) <i>Taxpayer Portal</i>	Year Round	Taxpayers
(b) <i>E-auction</i>	Year Round	Customs Stakeholders
(c) <i>Stop Drug Platform</i>	Year Round	
(d) <i>E-filing Individual Income Tax</i>	August to October	Taxpayers
(e) <i>Contribution Sociale Généralisée</i>	Year Round	Employees & Employers
(f) <i>Special Allowance</i>	Year Round	
(g) <i>Negative Income Tax</i>	Year Round	Low Income Earners
(h) <i>VAT Campaign</i>	Year Round	
(i) <i>MRA Mailing Service</i>	Year Round	Taxpayers
(j) <i>Government Wage Assistance Scheme</i>	Year Round	Employers
(k) <i>Self-Employed Assistance Scheme</i>	Year Round	Self-Employed
(l) <i>e-payment</i>	Year Round	Taxpayers
(m) <i>Advertising Structure Fee</i>	Quarterly	Billboard Owners
(n) <i>Country by Country Reporting</i>	June	Financial Sector Institutions
(o) <i>Portable Retirement Gratuity Fund (PRGF)</i>	March to May	Employers
(p) <i>Tax Arrears Settlement Scheme (TASS)</i>	Year Round	Tax Debtors
(q) <i>e-Free Income Tax Assistance (e-FITA)</i>	September-October	Taxpayers
(r) <i>e-EDF</i>	August	Employers
(s) <i>Financial Support to SMEs for payment of Salary Compensation 2021</i>	January to June	SMEs
Number of Educational Seminars conducted of which:		
(a) <i>State Colleges & Schools under Private Secondary Education Authority</i>	16 sessions	Students
(b) <i>Associations and Institutions</i>	33 sessions	Members & staff of associations & institutions
Number of Audio/visual Media intervention conducted of which:		
(a) <i>TV</i>		Taxpayers
• <i>Interventions & News reports</i>	47	
• <i>Programmes</i>	12	
(b) <i>Radio</i>		
• <i>Interventions & News reports</i>	304	
• <i>Programmes</i>	23	
(c) <i>MRA YouTube Channel</i>	12	
(d) <i>Production & Dissemination of One-minute programmes on MBC Radio</i>	155	

13.1.2. Publications

The MRA taxpayers' education strategy includes the issuing of leaflets, brochures and other publications which are usually distributed during educational sessions.

Table 13.2: Publications	
Details	Number of publications
Information leaflets of which:	12
(a) Income Tax & VAT	7
(b) Customs	5
Brochures/Guides published of which:	15
Other publications	7
Total	34

13.1.3. Meetings held with Stakeholders

The MRA holds regular stakeholders meetings to inform and educate taxpayers on tax related issues. The meetings held during the year are listed as per Table 13.3.

Table 13.3: Meeting with Stakeholders		
Date	Stakeholders	Main Issues Discussed
22 July 2020	Rotary Club of Port Louis	Teleworking, GWAS & SEAS
27 - 28 July 2020	Tourism Authority	GWAS & SEAS on Tourism
14 - 17 September 2020	Business Mauritius	Changes brought in by Finance Act 2020
24 September 2020	MEXA	Changes brought in by Finance Act 2020
24 September 2020	Chinese Business Chamber	Contribution Sociale Généralisée
25 September 2020	Rogers/ENL Group	Changes brought in by Finance Act 2020
29 September 2020	Harel Mallac	Changes brought in by Finance Act 2020
8 October 2020	Rogers/ENL Group	Panel Discussion
28 October 2020	DTOS	Webinar Panel Discussion
5 February 2021	MEXA	Application and Implications of the Salary Compensation 2021

13.2. Customer Care

13.2.1. Taxpayer Satisfaction Survey (TSS)

The MRA has conducted Taxpayer Satisfaction Surveys (TSS) during the past few years concurrently with the e-filing of the individual income tax return exercises, usually in September/October. The 2020 filing season has been no exception as the survey questionnaire was accessible to all taxpayers submitting their returns online through the MRA taxpayer portal.

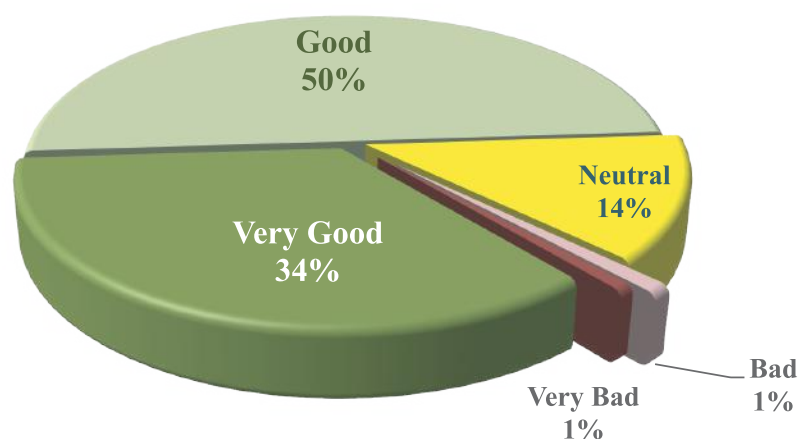
At the close of the e-filing deadline, a total of 30,582 respondents were recorded, (out of 192,553 returns filed) representing a 16% response rate. The MRA wishes to express its gratitude to all respondents as very few surveys in Mauritius, whether online or otherwise, receive more than 30,000 replies.

The taxpayers were invited to rate the MRA in terms of six services, namely:

- Customer Service & Telephony Services
- E-Services
- Website
- Taxpayer Education & Communication
- Customs Services
- Other Services

The overall service delivery of the MRA over the last 5 years have been highly rated by the majority of the respondents as illustrated in the Chart 13.1.

Chart 13.1: Overall Service Delivery of the MRA over the last 5 Years



13.2.2. Customer Service Feedbacks

The MRA has put in place a new Customer Services Feedback Terminal (CSFT) to gauge taxpayer's satisfaction relative to the services it offers. In addition to the CSFT, there are also various other channels through which the MRA receives feedbacks and complaints; namely, Citizen Support Portal, Taxpayer Mailing Service, website and suggestion box.

Table 13.4: Customer satisfaction, feedback & complaints received

Details	Number
Total number of Complaints/Feedback received of which:	4,347
(a) New Customer Service Feedback Terminals (CSFTs)	
• Eham Court (implemented February 2021)	153
• Customs House (Pilot basis)	11
(b) Citizen Support Portal (CSP)	729
(c) Taxpayer Mailing Service	3,388
(d) Website	51
(e) Others (Suggestion Box, etc.)	15

13.2.3. Complaints Management System

Table 13.5: Complaints Management System		
Details	Number of Complaints received during the year	Number of Complaints resolved for the year
Total number of Complaints received of which:	1,418	1,125
(a) Number of Tax-Related issues	810	699
(b) Number of Non-Tax Related issues	38	24
(c) Wage assistance queries	570	402

13.3. Communication

13.3.1. MRA YouTube Channel

The MRA released 12 explanatory videos during the year through its YouTube Channel covering the following:

- Employee Declaration Form (EDF),
- Income Tax filing,
- Voluntary Disclosure Scheme,
- Self-Employed Assistance Scheme and Government Wage Assistance Scheme; and,
- The MRA Taxpayer Satisfaction Survey Draw and Prize Giving Ceremony

Some videos were recorded in creole language so as to maximise the outreach and understanding by the majority of the population

13.3.2. Effective use of the media

Every year, the MRA uses various medium to disseminate information to taxpayers so that they are well apprised of their fiscal responsibilities. Table 13.6 provides the statistics of the communiqués issued by the MRA during the year 2020/21.

Table 13.6: Communiqués Issued	
Details	Number
Press	89
Government Gazette	30
Other Channels (e.g. Website)	20

13.3.3. Website

The MRA website plays a pivotal role in establishing a permanent relay and connectivity between the organization and its stakeholders. During the year 2020/21, the number of times the website was updated and visited by taxpayers is provided in Table 13.7:

Table 13.7: Website

Details	Number
Number of times the MRA Website was updated	1,035
Number of unique visitors on the MRA Website	815,753

13.3.4. E-newsletter

The MRA e-newsletter is now a regular monthly feature where taxpayers are apprised of the activities being conducted at the MRA. The e-newsletter also provides insights into useful tax and non-tax matters.

13.3.5. Twitter

The MRA has 1,497 followers on its twitter account and has published 137 communiqués and 26 press releases through this means of communication.

13.3.6. Taxpayer Mailing Service

The MRA's Taxpayer Mailing Service has 3,194 subscribers to whom the MRA has issued 89 communiqués during the year.

13.3.7. Other Means of Communication

13.3.7.1. Publication of the Annual Report

The MRA has a statutory requirement to publish an annual report, highlighting its performances and achievements for the year. The MRA's Integrated Annual Report 2019/20 was officially presented by the Director-General of the MRA to the Minister of Finance, Economic Planning and Development, Dr the Honourable Renganaden Padayachy on 20th July 2021, and thereafter posted on the MRA website.



13.4. Upcoming projects

13.4.1. New Social Media Tools

13.4.1.1. Facebook

The MRA shall launch the official MRA Facebook page which will feature short explanatory videos, TV programs, communiqués and press releases issued by the organisation. This initiative is expected to strengthen the bond between the MRA and its various stakeholders leveraging on the wide ranging coverage of Facebook both locally and internationally.

13.4.1.2. LinkedIn

With over 500 million members in over 200 countries, LinkedIn is the largest business-oriented networking website geared towards professionals. In tandem with the MRA Facebook project, a LinkedIn profile will also be launched to post essential information targeted for business professionals.

13.4.2. E-Appointment

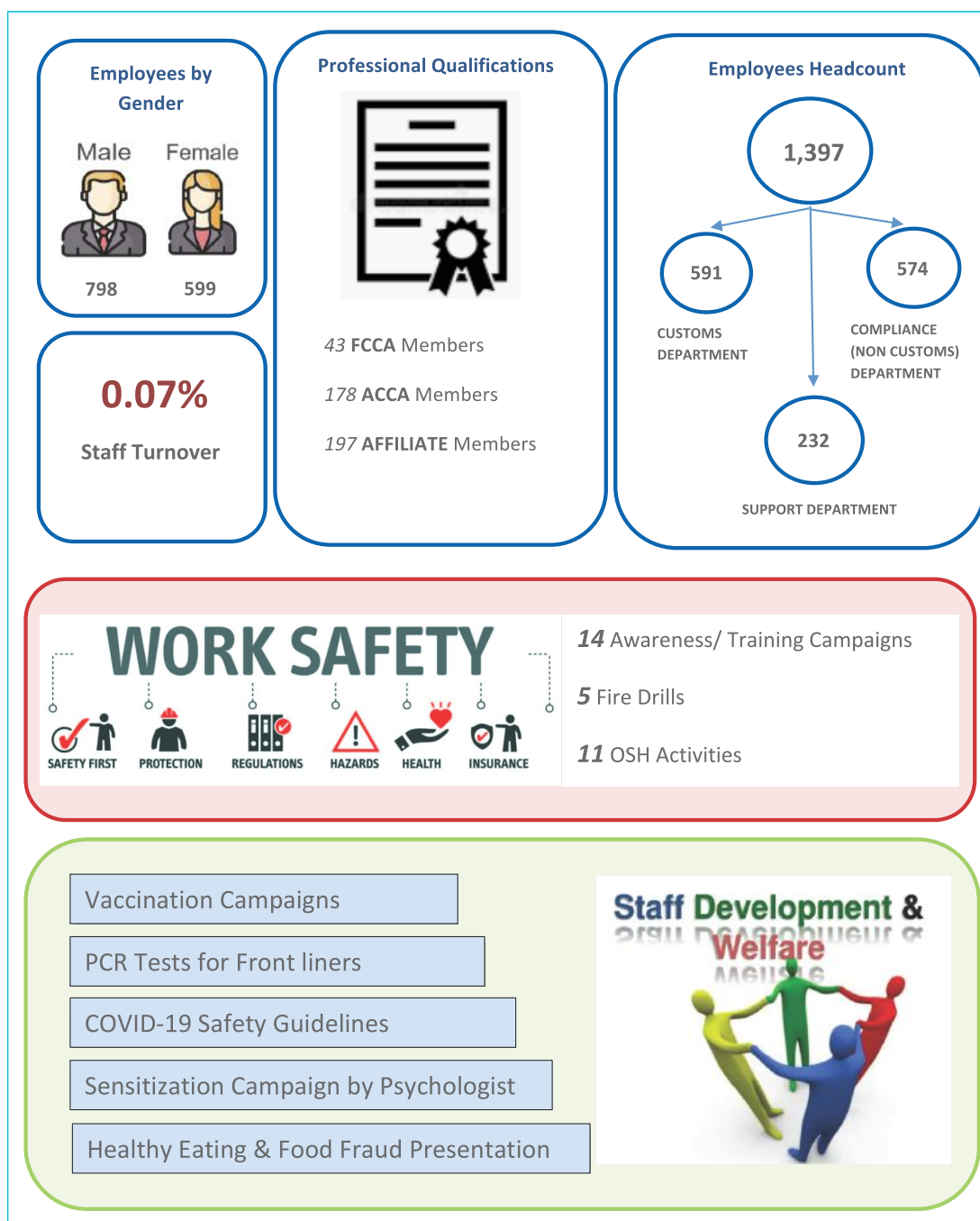
With the current pandemic environment, the MRA is putting in place an e-appointment system to help taxpayers get assistance through WhatsApp Video Call in filing their individual tax/CSG returns. The system will be available on the MRA website and will allow taxpayers to reserve time slots on particulars at their convenience.

TAXPAYER SATISFACTION SURVEY (TSS) 2020 – AN OVERVIEW

Table 13.8: TSS 2020 – Feedback Received from taxpayers

Services	Questions	Very Good / Good	Neutral	Bad / Very Bad
Customer Service and Telephony Services	1) Customer Service Facilities at Reception Desk	77%	19%	4%
	2) Ease of getting in touch with the MRA	71%	19%	10%
	3) Helpfulness and courtesy of the staff answering the phone call	76%	20%	4%
	4) Knowledge of staff and accuracy of information provided	79%	18%	3%
	5) Quality and Speed of Service	74%	20%	6%
E-Services	1) Time taken to E-File your return	94%	5%	1%
	2) E-Payment facilities to effect your tax payments	90%	9%	1%
	3) Pro-activeness of the MRA in providing innovative digital services to taxpayers	91%	8%	1%
Website	1) The MRA's Website is user-friendly and easily accessible	90%	8%	2%
	2) The search facilities on the MRA Website	87%	10%	3%
	3) Information provided on the MRA's Website is adequate and up-to-date	87%	11%	2%
Taxpayer Education & Communication	1) Appearance and clarity of tax communiqués, adverts and Radio/TV programmes	81%	16%	3%
	2) The public is kept well informed about their filing obligations and deadline dates	84%	12%	4%
	3) The MRA's educational campaigns are properly targeted	76%	20%	4%
Customs Services	1) Customs procedures to clear goods and passengers	67%	29%	4%
	2) Courtesy and helpfulness of Customs officers	68%	27%	5%
	3) Fairness with which Customs assesses value of imported goods	65%	30%	5%
	4) The mechanisms put in place by Customs to facilitate trade	66%	30%	4%
	5) The measures put in place by Customs to combat drug trafficking	69%	26%	5%
Other Services	1) Refund of Income Tax by the MRA	84%	14%	2%
	2) VAT Repayment by the MRA	71%	27%	2%
	3) The handling of COVID-19 payments (i.e.; Self-Employed Assistance Scheme & Government Wage Assistance Scheme) by the MRA	72%	24%	4%
	4) Fairness with which the MRA raises Tax Assessment on non-compliant taxpayers	68%	28%	4%
	5) The handling of Objections to tax assessment by the MRA	67%	30%	3%
	6) The overall trust you have in the MRA	80%	18%	2%

14. STRATEGIC OUTCOME: HUMAN RESOURCE MANAGEMENT



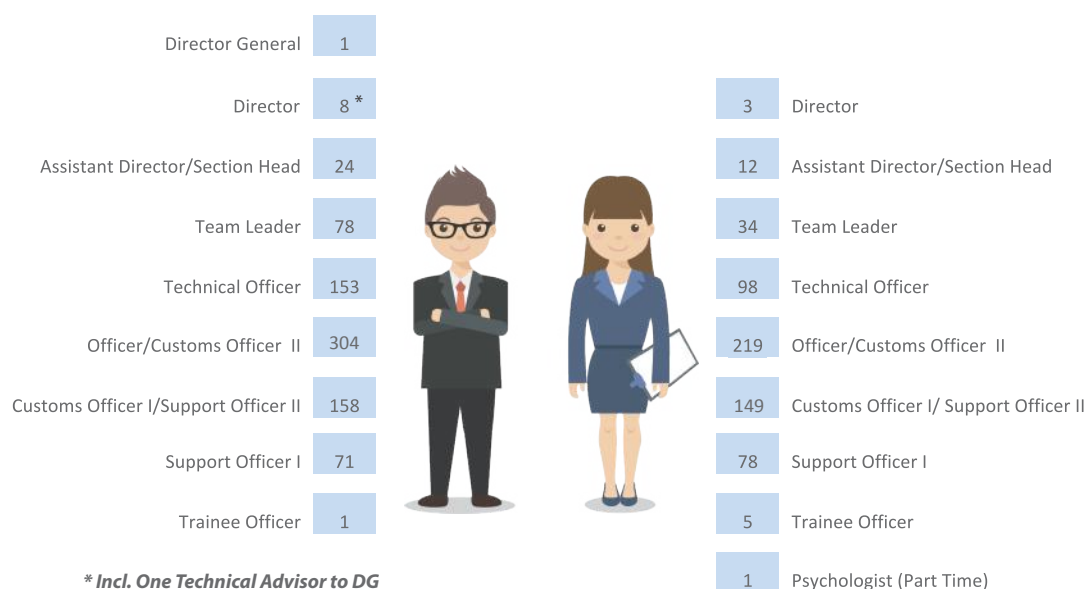
The MRA's strength and capabilities is dependent on the commitment, motivation and expertise of its people. One of its priorities is, therefore, to build a workforce of competent and dedicated people who shall contribute to the organisation with pride and passion. Over the years, the MRA has continuously strived to create a work environment that supports both employee growth and development. At the MRA, we invest in our staff to raise their technical competency, professional standards and dexterity so that they can help the authority in delivering excellent services. During the year under review, the MRA has implemented several new processes to enhance its management of human resources.

14.1. Human Resource Structure

Our staff strength stands at 1,397 men and women combined, representing 84% of the critical requirements of the 1,654 staff.

14.1.1. Human Resource Profile

The composition of the human resource workforce at the MRA, broken down by gender and grade is illustrated herewith:



14.1.2. Human Resource Breakdown by Department

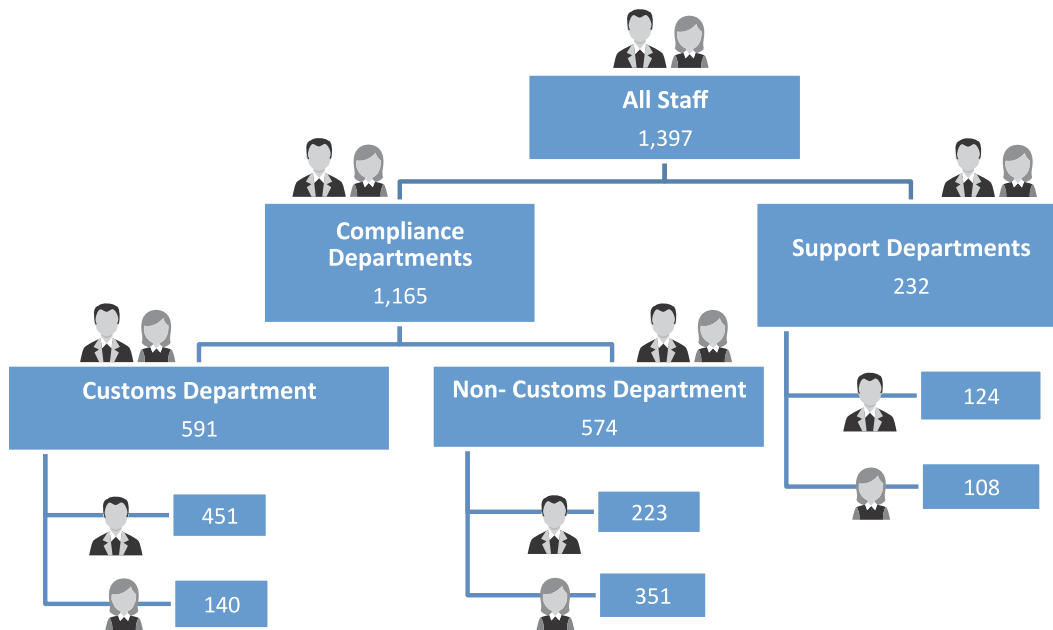
The employee demographics across compliance and support departments by grading are shown in the Table 14.1.

Table 14.1: Human Resource Distribution across Departments - 30 June 2021															
Departments	Director		Assistant Director / Section Head		Team Leader		Technical Officer		Officer / Customs Officer II/Trainee Officer/Psychologist		Customs Officer I / Support Officer II		Support Officer I		TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Compliance Departments															
Customs	1		9		32	3	73	7	207	37	128	93	1		591
Large Taxpayers	2*		2	1	4	6	6	13	14	17	1	4	2	6	78
Medium & Small Taxpayers	1		3	3	11	10	19	19	39	81	5	7	2	6	206
Operational Services	1		1	2	7	4	9	8	22	42	13	27	15	26	177
Fiscal Investigations		1		2	4	2	12	3	6	15	1	1	2	3	52
Objections, Appeals & Dispute Resolutions	1		1	2	8	1	6	26	3	8		3		2	61
Support Departments															
Director-General's Office	1**									1	1	1			4
Finance & Administration		1	2	1	3		6	3	4	6	4	4	46	28	108
Information Systems	1		2	1	3	2	6	5	8	10		1			39
Legal Services					1	3		1					1		6
Human Resources & Training	1		2		1	1	1	3		3	5	7	1	3	28
Taxpayers Education & Communication			1				3	1	1	2			1	2	11
Research Policy & Planning			1				3	3						1	8
Internal Audit Division		1			2	2	4	3	1	3		1			17
Internal Affairs Division					2		5	3						1	11
TOTAL	9	3	24	12	78	34	153	98	305	225	158	149	71	78	1,397

* Incl. One Technical Advisor to DG

** Director-General

14.1.3. Headcount Analysis by Compliance and Support Departments

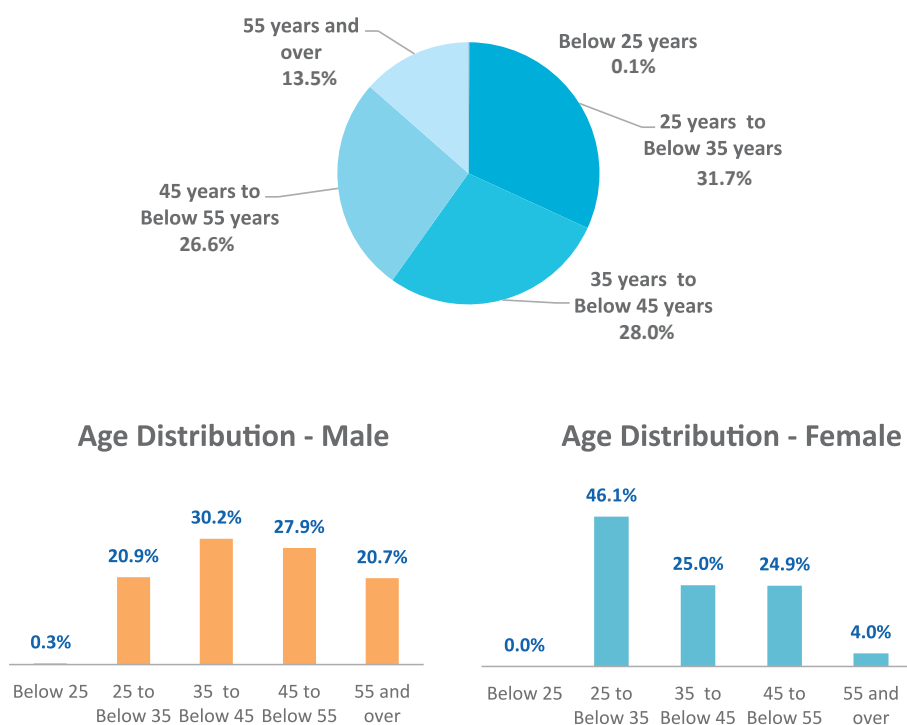


14.1.4. Workforce profile by age and gender

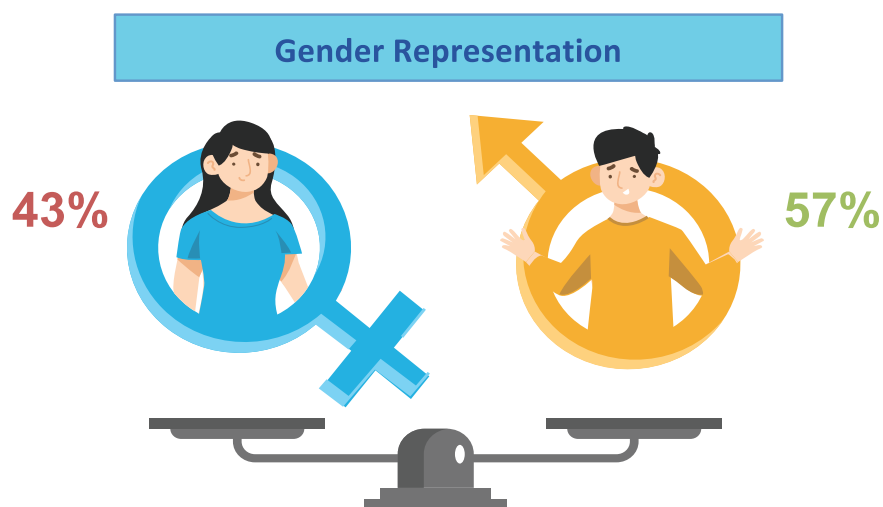
14.1.4.1. Profile by age

Unchanged from the last financial year, the age group predominant for all staff at the MRA is the category of staff between the ages of 25 to 35 years old, making up 32% of the total workforce.

Figure 14.1: Age Distribution – All Staff



14.1.4.2. Profile by Gender



For the FY 2020/21, males made up 57% of the MRA workforce, down by 1% from the last financial year.

Gender Ratio	
All MRA	
1	1.33
Compliance Departments	
1	1.37
Support Departments	
1	1.15

Following on the past trends, the Gender Ratio at the MRA has continued to decline. For the FY 2020/21, for every 133 males, there were 100 females compared to the same period last year when there were 141 males to 100 females at the MRA. The decreasing male to female ratio shows MRA's commitment towards reducing gender inequality in as far as its workforce is concerned.

14.2. Academic Qualifications

More than 90% of the MRA staff are diploma holders and above. At the MRA, we have continuously encouraged our people to continuously seek innovative ways to improve on their skills and expertise to help contribute towards improving the organisation's productivity. The MRA supports staff who wish to better their skills set and subsequently provide several facilities that enables the staff to do so.



14.3. Length of Service, Staff Disability and Staff Turnover

14.3.1. Length of Service

Approximately 64% of the staff currently employed at the MRA has between 10 to 19 years of service in the organisation while the remaining have 9 years of service and lower (It is exclusive of the years of service of staff from past revenue departments). With the recent recruitments following the vacancies advertised, the gap in the length of service for the 10 to 19 years is expected to fall further as new staff join in.

14.3.2. Staff Disability

As an employer of choice, the MRA continues to prioritise employment equity, be it in gender or disability. In the FY 2020/21, there are currently 3 disabled staff employed permanently in the organisation.

14.3.3. Staff Turnover

Table 14.2: Staff Turnover	
Human Resources	Number
Total Number of Staff at the beginning of the year (i.e.; 1 July 2020)	1,489
<u>Less:</u> Number of staff exiting (i.e.; resigned, dismissed, retired & passed away)	93
<u>Add:</u> Number of staff entering (i.e.; recruited)	1
Total Number of staff at the end of the year (i.e.; 30 June 2021)	1,397

MRA's staff turnover ratio for the FY 2020/21 stood a low of 0.07%, down from the 0.43% registered in the FY 2019/20.

14.4. Retirement, Resignations, Dismissal and End of Contracts

The FY 2020/21 saw the retirement of 78 staff members after having served the MRA to their best of their abilities. The majority of staff who retired were from the Customs Department. The names of these staff members broken down by Customs, Tax Compliance and Support Departments are given in the tables below:

CUSTOMS DEPARTMENT		
Mr AGASING, Krishnaduth	Mr ANDIGADOO, Darmatmah	Mr ARNEL, Jean Stello Eliel
Mr BEEDASSY, Ramanand	Mr BHOLOA, Roodradev	Mr BHUROSAAH, Atmanund
Mr BISSOON, Payshwardutsingh	Mr BUCKTOWAR, Inderjeet	Mr BUNGLOLL, Hemraj
Mr BURZOO, Paul Clency	Mr CALOU, Paul Desire Auguste	Mr CANGY, Jean Marc
Mr CESAR, Louis Jean Claude	Mr CYBELE, Roger Laval	Mr DEENA, Udhistir
Mr GHORAAH, Bheem	Mr GOPEE, Ahmad Mohammad	Mr GOVINDEN, Maurice Herbert
Mr HEERAMUN, Chabindralall	Mr JAHMEERBACUS, Izzat Issaad	Mr JODAHSSING, Krishnadutt
Mr JUMMUN, Tarkeswar	Mr KAMANAAH, Clency	Mr KAUSMALLY, Amid
Mr KHADAROO, Mohamed Nasser	Mr KOODUN, Shree Leeladhur	Mr KOOLASH, Rajcurrun
Mr LOUISE, Louis Harold Gabriel	Mr MAHABIR, Dharamraj	Mr MANDARRY, Mamode Siddic
Mr MANGATHA, Deoraj	Mr MOHUN, Indurchand	Mrs MOOTIEN, Pamela Gladys
Mr NARAINEN, Rajendra Padayachy	Miss PADARUTH, Saraswati Kumari	Mr PANDOO, Jean Claude
Mr RAMDOUR, Baboo Pradeep Coomarsingh	Mr REESAUL, Prabhas	Mr SEEBAAH, Oumesh
Mr SEEWOONARAIN, Umeshwarsingh	Mr SOOBARAAH, Radhakrishan	Mr SOOBRAYEN, Moonsamy
Mr THATIAH, Siram	Mr TYPHIS, Jacques Desire Arnule	Mr YEAROO, Jamsid

COMPLIANCE DEPARTMENT - NON CUSTOMS

Mrs AUMEER, Noorjahan Bibi	Mrs BOODHOO, Guendamatee Nagjee	Mr CHUMUN, Chettandev
Mr DULULL, S Mohammed Anwar	Mr GUNNOO, Radhakrishna	Mr INDER, Sahib
Mr JEEAWODY, Fazil	Mrs KARIMAN, Vijayanti	Mr KISHTO, Anandev
Mr LAN KAM, Jose Daniel	Mrs MOHAI YUDDIN, Mimma	Mrs MONAFF, Bibi Aneza
Mr POONYE, Nandraj	Mr PUTTUR, Mahendra	Mr RAMKALAWON, Amika
Mrs ROOJEE, Nassim Bibi	Mr SEEBALLUCK, Ashok Kumar	Mr SEENARAIN, Sanildath
Mr SEWCOOMAR, Dev Anand	Mr SEWUMBER, Suresh	Mr SUBDAR, Ally Ackbar
Mr SUFFEE, Ramatoollah	Mr SUNTH, Rameshwar	Mr THAKOOR, Banuduth

SUPPORT DEPARTMENTS

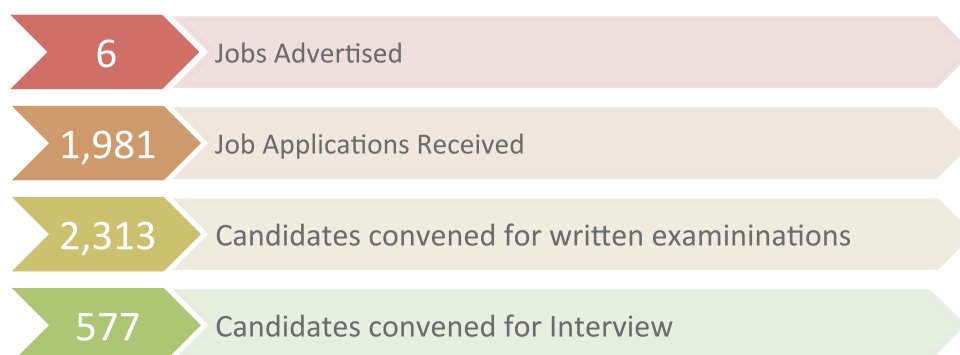
Mrs BASSET, J M Marie-Daniele	Mr BOUCHA, Rishiraj	Mr GUJADHUR, Khrishna
Mr MANIKKAM, Maynidevrajan	Mr MANURADDY, Raouf	Mr MARAN, Marday
Mr PYDUGADU, Ramayah	Mr RAULT, Norbert Emmanuel	Mrs UDHIN, Tanuja Devi

During the financial year under review:-

- 7 staff members resigned;
- 1 staff member was dismissed;
- 3 Section Heads, 2 Directors' and 1 Legal Counsel's contract came to an end; and,
- 1 staff member; namely, Mr Hans Deo Rambaran, passed away

14.5. Recruitment and Selection

With the retirement of more than 75 staff members, and to meet the critical staff requirements, the recruitment of staff in the identified crucial areas is of utmost importance for the effective functioning of the organisation. Over the FY 2020/21, 39 internal vacancies were filled while only 1 external staff was recruited.



Since the recruitment team has to deal with a large number of applications for externally advertised jobs, it is important that they are conducted effectively by getting the right people with the right skills, and efficiently as possible, whilst doing so at an acceptable pace.

For the 6 jobs advertised in the FY 2020/21, the MRA received 1,981 applications out of which 2,313 people were called for an interview. The list of candidates convened for written examinations were inclusive of applications received in the last financial year but due to COVID-19 had to be postponed at a later date. For the post of Trainee Customs Officer 1 advertised in January 2020, out of the 3,315

applications received, 894 candidates were called for a written examination while for the post of Support Officer 1, advertised in January 2020, out of the 4,836 applications received, 1,419 were called for a written examination. The number of applications received is a testimonial of the positive image that the MRA enjoys as an employer of choice.

The breakdown of recruitments by departments and job grades is illustrated in Table 14.3.

Table 14.3: Posts filled during FY 2020/21					
Internal Recruits			External Recruits		
Post	Grade	Count	Post	Grade	Count
Director, Compliance	7	3	Legal Services	5	1
Assistant Director	6	1			
Section Head, Compliance	6	6			
Team Leader, Compliance	5	8			
Technical Officer, Compliance	4	2			
Customs Officer II	3	6			
Support Officer II	3	13			
Total		39			1

14.6. Training and Development at the MRA

The development of employees continues to remain a top priority for the MRA. The MRA acknowledges that its staff have a desire to grow and progress, and as such, provides continuous learning and development opportunities for them to improve on their skills sets and knowledge.



During the FY 2020/21, 273 training and development programmes were carried out through webinar sessions.

The amount allocated to training and development budget was significantly lower for the FY 2020/21 compared to the previous years. Most training was done through webinar sessions and as there were no overseas missions, the budget allocated for missions was nil.

Training Budget

Allocated Amount
Rs 700,000

Amount Spent
Rs 658,096

**Mission Budget**

Allocated Amount
Nil

Amount Spent
Nil

14.7. Safety and Health at the MRA

As part of the requirement of the Occupational Health and Safety Act (2005), a number of safety and health initiatives were carried out during the year. Similarly, the MRA undertook a series of awareness campaigns, fire drills, first aid and other ad-hoc activities. A complete breakdown of the activities carried out is detailed below:



14.7.1. Safety and health awareness campaigns

Training/Awareness Programmes
Fire Safety Training
Manual Handling Training
Training of Airport Frontliners (Ministry of Tourism)
Presentation on Healthy Eating & Food Fraud
Sensitisation Programme with respect of Road Safety for Heavy Vehicles (MPA)
Briefing of Fire Wardens
Training on the use of E-Spray
Provision of PPE
Issuance of circular/guidelines regarding precautions to be adopted in view of prevailing COVID-19 Pandemic
COVID-19 test for MRA staff
PCR test for Custom Officers
Vaccination campaigns against COVID-19

14.7.2. Fire Drill Exercises

Every year, the MRA does a fire drill at its offices. Due to COVID-19 prevailing, a table top drill was conducted at Eham Court instead of the usual fire drill.

14.8. Medical & Group Personal Accident Insurance Scheme

14.8.1. Medical Insurance Scheme



The Medical Insurance Scheme has been implemented for the benefit of staff and their dependents since November 2008. 70% of the monthly premium for employees is subsidised by the MRA. The scheme also caters for staffs who retired from the service of the MRA. Various benefits (inpatient and outpatient) are available for all the members enrolled.

As at 30 June 2021, there were 1,297 MRA employees and 701 dependents who were subscribed to the scheme.

14.8.2. Group Personal Accident Policy

The Group Personal Accident Scheme (GPA) provides protection to MRA employees in the event of disability or death resulting from an accident. 23 claims have been processed and staff have benefitted from a total amount of Rs 945,631.23 during the last financial year.

14.9. Major projects implemented during the year

In line with the organisation's strategies to become more efficient, during the FY 2020/21, the HR department undertook a series of projects as listed below:

- Electronic Pension Benefit Calculator
- Electronic Car Loan Calculator
- HR Self-service Facility for MRA Staff
- Electronic Performance Appraisal
- Enhancements brought to the online Recruitment Platform

14.10. Other Activities

The MRA believes in the welfare of its staff and has always strived to provide a conducive working environment for its staff. During the year, the MRA provided the following:

Staff Welfare	Staff Incentives
On-site and email sensitisation campaigns on the necessary sanitary precautions	Performance Bonus
Provision of Dosimeter	Study Leaves for those enrolled in higher studies
Provision of Personal Protective Equipment	Services of a Psychologist renewed
Team Building exercise with the Mauritius Police Force	On- going internal training facilities provided
Sensitisation campaign by the Psychologist	Grievance procedure for aggrieved staff
	Work-from-Home facilities provided
	Medical Insurance and Group Personal Accident Schemes
	Flexitime work schedules
	Member of Toastmasters International

14.11. Accolades

Despite the lockdown, the MRA carried out business as usual and received the following awards as listed below:

- Mauritius, represented by the Director of Customs, has been elected as Deputy Vice Chair of the World Customs Organisation East and Southern Africa (WCO ESA) for a period of two years with effect from May 2021;
- Mauritius, represented by the MRA Customs Department, was the 1st runner up for the Annual East and Southern Africa (ESA) region 'Sotho Photo' contest;
- World Customs Organisation East & Southern Africa (WCO ESA) Regional Training Centre (Mauritius) received a congratulatory note from the WCO ESA Regional Office for Capacity Building (ROCB) for exemplary performance in the implementation of the Performance measurement Tool for the Regional Training Centres (RTCs).

14.12. CSR Activities

- Gifts and School materials offered to the 'Groupe Mouvement Sociale de Roche Bois' for distribution to destitute children of Roche Bois in December 2020;
- Contribution received from Staff and donated to the Orphanage Coeur Immaculé de Marie Quatre-Bornes during the St Mathews Annual Mass Celebration held on 21 September 2020.

Donation of a Medical Bed at Meenatchee Home



Annual Blood Donation at the MRA



Swimming Training for Customs Officers



Gift Donation on Christmas for underprivileged children





Integrated Customs Clearance Centre... ►



Dangerous Chemicals Control Board
Ministry of Health & Wellness

Government Pharmacist
Ministry of Health & Wellness

Public Health and Food Safety Office
Ministry of Health & Wellness

**Ministry of Commerce and
Consumer Protection**

**National Agricultural Products Regulatory Office and
Pesticides Regulatory Office**
Ministry of Agro Industry and Food Security

National Plant Protection Office
Ministry of Agro Industry and Food Security

Veterinary Service Division
Ministry of Agro Industry and Food Security

**Ministry of Blue Economy,
Marine Resources, Fisheries and Shipping**



... a One-Stop-Shop for a quality service



15. STRATEGIC OBJECTIVE: ENHANCING OUR BUSINESS PROCESSES & INFORMATION SYSTEMS

System & Process Enhancement

Automation of Registration for Tax through the InfoHighway

Implementation of Contribution Sociale Généralisée (CSG)

Upgrade of ITAS

Implementation of Behavioural Insights (BI)

Enhancements to the International Exchange of Information Platforms

Adoption of hyper-converged infrastructure

Safeguarding taxpayer information

Mobile Application

Wireless Body Worn Camera for Customs Examining Officers

Automation of Registration for Tax through the InfoHighway

VAT Registration

The application for VAT registration has been streamlined through its inclusion in the online process of incorporating a company on the platform of the Corporate and Business Registration Department (CBRD). As a result, the time taken for registration for tax purposes in terms of getting a Tax Account Number, receiving an Employer Registration Number and now being VAT registered has been drastically reduced leading to a positive impact on the ease of doing business in Mauritius.

TAN for Individuals

Whenever a National Identification Number data is received from the Civil Status Division through the Government Infohighway and the person does not have a Tax Account Number, the system automatically generates a Tax Account Number for that person.

Implementation of Contribution Sociale Généralisée (CSG)

With the reform of the Pensions System in Mauritius, the contribution to the National Pension Fund (NPF) was abolished and Contribution Sociale Généralisée was introduced as from 1st September 2020.

Consequently, the MRA Integrated Tax System and the MRA E-Services were amended to cater for the repeal of the NPF and the introduction of the CSG.

The process for this new contribution was configured in MRA Tax system and new features were implemented on MRA E-services and mobile platform for filing and payment of CSG by employers.

The Filing was further simplified for Self-Employed with prefilled information where only declarant details are required.

Upgrade of ITAS

As part of the regular functional upgrade of ITAS, the MRA core tax system was upgraded to the latest major version SAP S/4HANA 2020. The benefits include simplification of the Tax Revenue Management Transactions and processes. Moreover, the upgraded S/4 HANA platform has an embedded CRM which will improve performance and eliminate data synchronization issues. Many default Fiori apps for Tax revenue management have been provided as part of this release.

Implementation of Behavioural Insights (BI)

Behavioural Insights (BI) is a new ground breaking SAP product which uses Machine Learning to predict scores for taxpayers with respect to specific risks like the risk of receivership, late payment and late submission. BI will enable the MRA to be proactive in dealing with risky taxpayers like late payers and late filers so as to enhance compliance and collection. Configuration and implementation have been completed. BI is currently operating on a pilot basis in the Debt Management Unit of the MRA before a full deployment.

Enhancements to the International Exchange of Information Platforms

Last year, as part of requirements of the CRS and CbC reporting, Data Security Safeguards were successfully implemented and the system was upgraded to a better version.

The required transition from CRS Schema Version 1.0 to CRS Schema Version 2.0 is the first schema change since its implementation four years ago across more than 100 participating jurisdictions. In the short term, schema changes will likely be frequent and maybe sometimes cumbersome. Ultimately, however, the long-term effects will be beneficial to regulators and financial institutions alike, as they will lead to granular accuracy and submitted data will better match the regulatory requirements.

Some of the key changes due to CRS Schema Version 2.0 which have been made are as follows:

- Alterations in the length limit of Extensible Markup Language (XML) elements and attributes.
- Changes to two elements: The mandatory element "CrsBody" becomes optional and the previously optional element "MessageTypeIndic" becomes mandatory
- Addition of five new country codes
- Modifications of twenty-five country descriptions

After implementation and before go-live extensive testing of both CRS reports and CbC reports 2.0 was carried out on the OECD CTS conformance platforms.

Adoption of hyper-converged infrastructure

MRA has upgraded its technology landscape and is leveraging on hyper-converged infrastructure to enhance both backend systems and electronic services.

With hyper-converged infrastructure, information technology has become an enabler for better revenue administration. Employees and stakeholders can access data more rapidly and tax officers were even able to quickly respond to taxpayer needs during the pandemic by rolling out new applications for electronic services, online registration and payments with minimum delay.

MRA's initial three-tier legacy infrastructure involved high maintenance time and costs and became a barrier to further development. By switching to hyper-converged infrastructure, MRA was able to cut the total cost of ownership. In addition, the system administration simplicity of the hyper-converged infrastructure has allowed MRA to refocus resources away from routine infrastructure management and diminish administration time.

The ability to shift focus from internal resource management to taxpayers is a big advantage for MRA on the critical frontlines of the revenue administration. Thus with hyper-converged infrastructure, MRA has been able to adapt quickly to evolving electronic services and continuously meet the goal of delivering a taxpayer-centric experience.

Safeguarding taxpayer information

As data thefts are on the rise and identity thieves luring taxpayer data to file fraudulent tax returns through phishing emails, data security is mandatory at MRA. The MRA is committed to continuously assess and review its Information Security Management System by enacting a series of safeguards.

Employees and stakeholders are frequently educated about security threats and safeguards where they have a role to play in protecting taxpayer information.

To counter data theft that may also mean a loss of reputation or money, MRA continually improves its information security techniques (anti-virus protection, regular patch updates, intrusion prevention, mail, web and application proxy). MRA regularly conducts internal and external security assurance exercises to check and verify the security posture of the organisation to mitigate any information security risk.

Mobile Application

DrugFreeMoris is a mobile application aiming at raising awareness among the Mauritian community on the drug trafficking scourge and to help combat it. The application also provides information about drug prevention, treatment, rehab locations and put forward success stories about drug victims.

Wireless Body Worn Camera for Customs Examining Officers

With the aim of improving transparency, accountability and build public trust and confidence, the MRA has implemented the policy of capturing all examination of goods through video recording using cameras worn by examining officers. These cameras also allow officers to communicate instantly with officers posted at the Customs headquarters for any clarifications or queries.

PROJECTS IN THE PIPELINE



E-Invoicing

Electronic invoicing (e-invoicing) is a device less, software based system to fiscalise invoices being issued by any invoicing system of taxpayers. Whenever an invoice is being generated by a billing system, an Electronic Cash Register or a Point-of-Sale, data relating to the detailed transaction will be transmitted on a real time basis to the MRA. MRA will generate a unique key using a hash algorithm based on details of the invoice, which will be sent back to the billing system.



Central Electronic Monitoring System for Gaming Machines (CEMS)

The aim of CEMS is to combat tax evasion by ensuring that all gaming transactions are captured in real-time, discouraging illegal and fraudulent practices and allow online monitoring and control over gaming activities and modernise the gaming industry by adopting appropriate modern technologies. Based on recommendations and consultations with industry professionals, the procurement process will be reviewed and re-launched to better improve tax and regulatory functions.



CMS III/ Integrated Single Window for Trade

The Implementation of an Integrated Single Window for Trade will consist of the following:

- All Trade related e-Services hosted on MRA Portal
- CMS redevelopment with Payment Module, Debt Management System, Registration module, Revenue Reports all centralized in ITAS
- CMS Core modules involving only Customs Related Processes
- Post Implementation

The first phase will comprise of modernizing the current CMS and seamless integration with MRA core tax administration system.



Instant Payment System BOM

Instant Payment System (IPS) is a novel state-of-the-art digital hub fully owned and operated by the Bank of Mauritius for routing payments among operators on a 24x7 basis. IPS will allow MRA to provide facilities for real time payment and real time refund/repayment to taxpayers.



MyT Money and Juice

MyT Money is a revolutionary mobile wallet payment method that is becoming increasingly popular in Mauritius. MRA will use the online payment facility of MyT Money to provide a real time payment facility to the taxpayers who have less than Rs5000 to pay.

With the removal of Internet banking as a payment facility for taxpayers, MRA is liaising with the MCB team to provide an alternative payment method for payment of taxes. Taxpayers will be able to pay for any tax types using a reference number provided by MRA.

Implementation of TeamMate for virtual file and e-Case Management

A pilot implementation of the TeamMate Software was conducted in years 2018 and 2019. MRA is now considering moving fully towards soft working paper files. The new approach now is also to encourage more work from the Taxpayer's place, use of laptops with soft working papers and to request information from Taxpayers in soft copy. Following the successful pilot exercise, the MRA will initiate the purchase of licenses for full implementation of the TeamMate software in Compliance departments.

Taxpayer Space

The Taxpayers' space will be a new and modern platform whereby tax officers and taxpayers will interact in a more efficient manner.

The platform will help MRA to manage taxpayer-focused issues, complaints and queries in a structured, organised and transparent manner to attain operational excellence. History of any interaction will be available to both taxpayers and tax officers, thereby, improving the understanding, engagement and communication on both sides. Taxpayers' space also helps MRA to improve its initiative and contribution to the development of a paperless office by reducing paper based communication.

SAP BW/4HANA

The SAP BW/4 HANA is required to address the increasing reporting needs of various stakeholders of MRA. SAP BW/4 HANA provides a highly optimised platform that will ease business analytics and speed up queries. The next step is to develop the data sharing requirements.

Security Unit

Due to the ever increasing security threats and given the utmost importance of taxpayers' information held by the MRA, it was recommended that an independent security unit be setup to oversee, reinforce and propose corrective measures on the overall security aspects of MRA. This unit will look after both physical and information security. The justification is to have a dedicated unit to exclusively look after the security aspects of the MRA without being distracted by day-to-day operations.

 **Piloting
Microservices**

In the long run, developing entire applications as a singular monolithic structure can be problematic at MRA due to the interconnected and interdependent nature of a self-contained system; making changes, deploying updates, or adopting a new technology is more challenging when the entire system is affected.

The shift away from monolithic development will begin with service-oriented architecture, which consists of a collection of services that communicate with one another within a system.

The next progression at MRA is microservices architecture starting with a pilot testing on a small scale. Upon successful testing, this will evolve to offer a more cohesive, but still granular, approach to software development.

This approach has been gaining popularity with large-scale enterprises including Amazon, Netflix, Twitter, Paypal, and Spotify due to the many advantages of adopting a microservices approach.

Microservices can be later extended to e-services, e-Invoicing at MRA and offers a host of benefits, including:

- Improved productivity
- Better resiliency
- Increased scalability
- Continuous integration/continuous delivery
- Optimize business functionality

16. MAIN TAX CHANGES 2021

16.1. Income Tax: Individuals

Tax Measures	Implementation
Claim for dependent child pursuing undergraduate course The maximum additional exemption in respect of a child pursuing tertiary education in Mauritius or overseas increased to Rs 225,000 irrespective of the total income of a household	As from income year commencing on 1 July 2021
Relief for Medical Insurance premium The maximum allowable deduction for medical insurance premiums increased from: (a) Rs 15,000 to Rs 20,000 for an individual and his first dependent; and (b) Rs 10,000 to Rs 15,000 for every other dependent.	As from income year commencing on 1 July 2021
Donation to charitable institution An individual may claim a maximum deduction of Rs 30,000 in an income year in respect of donation made electronically to charitable institution.	As from Income year commencing on 1 July 2021
Contribution to an individual pension scheme An individual is entitled to a maximum deduction of Rs 30,000 in an income year in respect of contribution made to an individual approved pension scheme.	As from income year commencing on 1 July 2021
Contribution to COVID-19 Vaccination Programme Fund An individual contributing to the COVID-19 Vaccination Programme Fund during the income year ending 30 June 2021 will be allowed to deduct from his net income the amount contributed to the Fund. Any unrelieved deduction in an income year may be carried forward for a maximum period of two successive income years.	Come into operation in respect of year of assessment commencing on 1 July 2021
Deduction for Dependent who is a Bedridden Next of Kin The social benefits derived by the bedridden next of kin under the National Pensions Act in an income year shall be excluded in the calculation of the net income and exempt income of the bedridden next of kin.	Come into operation in respect of year of assessment commencing on 1 July 2021
Simplified return by Self-Employed individuals There is introduced a simplified electronic return for self-employed individuals, other than those with a filing obligation	Come into operation in respect of year of assessment commencing on 1 July 2021
Deferral of tax payment under the Current Payment System (CPS) No requirement for a self-employed to submit CPS Statement or pay tax in respect of any CPS quarter of the income year commencing on 1 July 2020.	Finance Act 2021
Premium Visa Premium visa holder will be subject to tax on income as follows: (i) Income for work performed remotely from Mauritius shall be deemed to be derived in Mauritius when it is remitted in Mauritius. (ii) Money spent in Mauritius through the use of foreign credit or debit cards shall be deemed not to have been remitted in Mauritius. (iii) Money deposited in a bank account in Mauritius shall be subject to tax unless a declaration is made by the holder of a Premium Visa that the required tax has been paid thereon in his country of origin or residence.	Come into operation on 1 November 2020

16.2. Income Tax: Companies

Tax Measures	Implementation
Contribution to COVID-19 Vaccination Programme Fund A company contributing to the COVID-19 Vaccination Programme Fund will be allowed to claim the contribution as an allowable deduction.	Come into operation in respect of year of assessment commencing on 1 July 2021
Double Deduction of Expenditure Incurred on Market Research & Product Development (R&D) A manufacturing company will be entitled to deduct in an income year from its gross income twice the expenditure incurred for market research and product development for the African market.	Come into operation on 1 July 2021
Tax credit to medical, biotechnology or pharmaceutical companies A manufacturing company engaged in the medical, biotechnology or pharmaceutical sector shall be allowed full tax credit of the capital expenditure incurred on the acquisition of patents.	Come into operation on 1 July 2021
Expenditure on international accreditation A private health institution may deduct from its gross income twice the direct expenses related to international accreditation.	Come into operation on 1 July 2021
Direct expenditure incurred by large manufacturers on the purchase of products manufactured locally by SMEs An additional 10% deduction allowed on any expenditure incurred by large manufacturers on the direct purchase of products manufactured locally by small and medium enterprises.	Come into operation on 1 July 2021
Exemption from CSR by small enterprise A small enterprise opting to pay a presumptive tax is being exempted from Corporate Social Responsibility (CSR).	Come into operation in respect of year of assessment commencing on 1 July 2021
Extension of Corporate Social Responsibility (CSR) priority areas of intervention The priority list of areas of intervention is extended to include the restoration of a building designated as a national heritage under the National Heritage Fund Act 2003.	Finance Act 2021
Deferral of tax payment under Advance Payment System (APS) A company, other than those, specified in Part I of the Twelfth Schedule of the Income Tax Regulations 1996, whose APS Statement fell in any of the months of November 2020 to May 2021 allowed to submit the APS Statement and pay the tax due on or before 28 June 2021.	Finance Act 2021
Ruling The times limit of 30 days to give a ruling shall run as from the date of submission of all additional documents and information requested.	Finance Act 2021
Statement of Financial Transactions The thresholds for submission of information by banks, non-bank deposit taking institutions, insurance companies and money changers reduced by half.	Come into operation in respect of the income year commencing on 01 July 2021

16.3. Value-Added Tax

Tax Measures	Implementation
• Ruling The times limit of 30 days to give a ruling shall run as from the date of submission of all additional documents and information requested.	Finance Act 2021
• Zero-rated products (a) live animals for training or breeding purposes (b) boiled or steamed dumplings made up of meat, fish, squid, crab, chicken, vegetables or milk, whether cooked or uncooked, prepared and supplied to final consumers	Finance Act 2021
• Exempt Bodies The following bodies exempted for VAT purposes in respect of the construction of social housing: (i) The National Empowerment Foundation; and (ii) the New Social Living Development Ltd	Come into operation on: (i) 01 September 2020 (ii) 03 February 2021
• Contributions to Film Promotion Fund The prescribed remittance of net VAT collection on a quarterly basis into the Film Promotion Fund is discontinued.	Come into operation 01 July 2021
• Refund of VAT on construction of a house or residential apartment: (i) The limit on the VAT refund reduced from Rs 500,000 to Rs 300,000. (ii) The threshold of the cost of construction of a residence or the purchase price of the residence reduced from Rs 5 million to Rs 3 million (iii) The annual household income eligibility threshold reduced from Rs 3.5 million to Rs 1 million. (iv) The refund can be claimed on the construction or acquisition of a first residence only.	Finance Act 2021

16.4. Other Measures

Tax Measures	Implementation
• Independent Tax Panel The Independent Tax Panel is repealed.	Finance Act 2021
• Tax Arrears Settlement Scheme (TASS) (a) TASS introduced to provide for full waiver of penalties and interest where tax arrears outstanding as at 31 October 2020 are paid in full by 31 December 2021 by taxpayers joining the Scheme by 30 June 2021. (b) For arrears outstanding as at 11 June 2021 relating to SMEs, the last date for joining the Scheme is 31 December 2021 for payment to be effected by 28 June 2022.	Come into operation on 01 November 2020
• Request for Information Taxpayers to provide information, as requested, electronically and via meeting through teleconferencing.	Finance Act 2021

• Lodging of Representations A taxpayer will be allowed to make representation to the Assessment Review Committee without any payment where his objection was lapsed on failure to provide requested information.	Finance Act 2021
• Tax on Winnings The 10% tax imposed on winnings will cover also winners of Loterie Vert.	Finance Act 2021
• Gambling Levy The Levy paid by gambling operators will not be allowed as a deduction for income tax purposes.	Finance Act 2021
• GRA Introduction of definitions of “gross proceeds”, “gross stakes” and “gross takings”;	Finance Act 2021
Payment of 47.16% of the net proceeds by the Loterie Vert Operator not later than 7 days after the end of every quarter	Come into operation on 31 August 2020

16.5. Customs & Excise

16.5.1. Customs Duty

	Measures	Implementation
(a)	Customs Duty rebate on buses The 30% customs duty rebate currently granted on buses is being extended from 1 July 2021 to 30 June 2022.	Already implemented as from 1 July 2021 <i>(G.N. 134 of 2021)</i>

16.5.2. Excise Duty

	Measures	Implementation																																																			
(a)	Alcoholic products Effective as from 12 June 2021, the following rates of excise duty on alcoholic products are applicable:- <table> <tr> <th>Alcoholic Product</th><th>Current</th><th>New</th></tr> <tr> <td>Beer (per litre)</td><td></td><td></td></tr> <tr> <td>• Up to 9 degrees</td><td>• 39.60</td><td>• 43.60</td></tr> <tr> <td>• Above 9 degrees</td><td>• Rs 55.10</td><td>• Rs 60.60</td></tr> <tr> <td>Spirit Cooler (per litre)</td><td>Rs 51.70</td><td>Rs 56.90</td></tr> <tr> <td>Fruit Wine (per litre)</td><td>Rs 32.10</td><td>Rs 35.30</td></tr> <tr> <td>Made Wine (per litre)</td><td>Rs 68.80</td><td>Rs 75.70</td></tr> <tr> <td>Wine of grapes (per litre)</td><td></td><td></td></tr> <tr> <td>• In Bulk for Bottling Purposes</td><td>• Rs 110.60</td><td>• Rs 121.70</td></tr> <tr> <td>• In Bottle</td><td>• Rs 194.00</td><td>• Rs 213.40</td></tr> <tr> <td>Champagne (per litre)</td><td>Rs 924.00</td><td>Rs 1,016.40</td></tr> <tr> <td>Rum (per litre of absolute alcohol)</td><td>Rs 544.00</td><td>Rs 598.40</td></tr> <tr> <td>Cane Spirits (per litre of absolute alcohol)</td><td>Rs 544.00</td><td>Rs 598.40</td></tr> <tr> <td>Whisky (per litre of absolute alcohol)</td><td></td><td></td></tr> <tr> <td>• In Bulk for Bottling Purposes</td><td>• Rs 1,051</td><td>• Rs 1,156</td></tr> <tr> <td>• In Bottle</td><td>• Rs 1,680</td><td>• Rs 1,848</td></tr> <tr> <td>Liqueur (per litre of absolute alcohol)</td><td>Rs 369.60</td><td>Rs 406.60</td></tr> </table>	Alcoholic Product	Current	New	Beer (per litre)			• Up to 9 degrees	• 39.60	• 43.60	• Above 9 degrees	• Rs 55.10	• Rs 60.60	Spirit Cooler (per litre)	Rs 51.70	Rs 56.90	Fruit Wine (per litre)	Rs 32.10	Rs 35.30	Made Wine (per litre)	Rs 68.80	Rs 75.70	Wine of grapes (per litre)			• In Bulk for Bottling Purposes	• Rs 110.60	• Rs 121.70	• In Bottle	• Rs 194.00	• Rs 213.40	Champagne (per litre)	Rs 924.00	Rs 1,016.40	Rum (per litre of absolute alcohol)	Rs 544.00	Rs 598.40	Cane Spirits (per litre of absolute alcohol)	Rs 544.00	Rs 598.40	Whisky (per litre of absolute alcohol)			• In Bulk for Bottling Purposes	• Rs 1,051	• Rs 1,156	• In Bottle	• Rs 1,680	• Rs 1,848	Liqueur (per litre of absolute alcohol)	Rs 369.60	Rs 406.60	Already implemented as from 12 June 2021 (Implemented by way of <u>Resolution and validated as per Section 95 of the Finance (Miscellaneous Provisions) Act 2021</u>)
Alcoholic Product	Current	New																																																			
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Liqueur (per litre of absolute alcohol)	Rs 369.60	Rs 406.60																																																			
(b)	Tobacco Products Effective as from 12 June 2021, the following rates of excise duty on tobacco products are applicable:- <table> <tr> <th>Tobacco Product</th><th>Current</th><th>New</th></tr> <tr> <td>Cigars (Per Kg)</td><td>Rs 17,662</td><td>Rs 19,430</td></tr> <tr> <td>Cigarillos (Per Thousand)</td><td>Rs 10,313</td><td>Rs 11,345</td></tr> <tr> <td>Cigarettes (Per Thousand)</td><td>Rs 5,111</td><td>Rs 5,625</td></tr> </table>	Tobacco Product	Current	New	Cigars (Per Kg)	Rs 17,662	Rs 19,430	Cigarillos (Per Thousand)	Rs 10,313	Rs 11,345	Cigarettes (Per Thousand)	Rs 5,111	Rs 5,625	Already implemented as from 12 June 2021 (Implemented by way of <u>Resolution and validated as per Section 95 of the Finance (Miscellaneous Provisions) Act 2021</u>)																																							
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Cigarettes (Per Thousand)	Rs 5,111	Rs 5,625																																																			

	Measures	Implementation
(c)	Excise Duty on Sugar Sweetened Products (i) The tax of 6 cents per of sugar on locally manufactured and imported non-staple sweetened products (<i>which was announced in the 2020-21 Budget</i>) shall come into operation on 1 July 2022. (ii) Sugar-sweetened products with total sugar content of up to 4 grammes per 100 grammes or 4 grammes per 100 millilitres are exempted from the tax (iii) Fruit purées for infants are excluded from the coverage of the tax	Shall be implemented on 1 July 2022 (Section 24 (i) (ii) (B) and (iii) of the Finance (Miscellaneous Provisions) Act 2021) Already implemented as from 1 November 2020
(d)	Motor Vehicles (i) The excise duty rebate scheme on motor vehicles currently being granted is extended for a further period from 1 July 2021 to 30 June 2022. The rebate scheme is as follows:- a. motor car up to 1,000 cc (whether hybrid or not): 40% rebate on the excise duty payable on the motor car; and b. motor car (whether hybrid or not) above 1,000 cc, double/single space cabin vehicle and van: 30% rebate on the excise duty payable on the motor vehicle	Already implemented as from 01 July 2021 – Excise (Amendment of Schedule) (No. 4) Regulations 2021 – <i>GN 135 of 2021</i>
	(ii) Abolition of 5% excise duty on electric vans of up to 180kW designed exclusively for the transport of goods	Already implemented as from 15 June 2021 (<i>G.N. No. 134 and 135 of 2021</i>)
	(iii) A beneficiary of a duty exempted motor vehicle is allowed to benefit from another duty exempted motor vehicle before the expiry of 3 years, in the case where the exemption is once every 3 years or, in any other case, before the expiry of 4 years from the date of the exemption provided that he pays the full amount of duty, excise duty and taxes which he has benefitted from and he complies with such other terms and conditions as may be prescribed.	Measure shall come into operation upon the gazetting of Regulations with respect to the prescribed terms and conditions. 5 August 2021 – section 19(a) and (aa) of the Finance (Miscellaneous Provisions) Act 2021 refers.
	(iv) A motor vehicle with an internal combustion engine and electric assistance for propulsion, other than one charged by plugging to an external source, is subject to the same rate of excise duty as a hybrid motor vehicle	Already implemented as from 21 May 2021 (<i>G.N. No. 134 and 135 of 2021</i>)

16.5.3. Amendments to Customs laws & other enactments related to border

	Measures	Implementation
(a) Customs tariff		
	Customs tariff liberalisation commitments taken by Mauritius The commitments are as follows - (i) the last phase of tariff reduction for finished goods effective as from <u>1 January 2022</u> for the following Agreements - a. the Interim Economic Partnership Agreement with the European Union; b. the Economic Partnership Agreement between the Eastern and Southern African States and the United Kingdom; and c. the Free Trade Agreement between Mauritius and Turkey; (ii) the second phase of tariff reduction, with effect from <u>1 January 2022</u>, for the following Agreements - a. the Free Trade Agreement between Mauritius and China; and b. the African Continental Free Trade Area Agreement; (iii) the second phase of tariff reduction, with effect from <u>1 April 2022</u>, under the Comprehensive Economic Cooperation and Partnership Agreement between Mauritius and India.	Amendments shall be made by way of Regulations to Part I of the First Schedule to the Customs Tariff Act for the implementation of these measures as per <u>the scheduled dates</u>.
	The VAT Act stipulates that any provision of tax exemption granted to a statutory corporation or any other person in existing or new legislations, other than revenue legislations, is null and void. However, in the Customs Tariff Act and Excise Act, the provision is restricted to a statutory corporation. This omission is being corrected.	Already implemented as from 5 August 2021 – sections 19(b) and 24(b)(ii) of the Finance (Miscellaneous Provisions) Act 2021
(b) Duty Free Shops and Deferred Duty and Tax Scheme (DDTS) Shops		
	The authorisation granted last year to Duty Free Shops and DDTS shops to sell goods on the local market without any limit on quantity but with payment of duty, excise duty and taxes is extended up to 30 June 2022.	Will be implemented upon gazetting of the regulations – Regulations 90 (4A) and 90A(2) of the Customs Regulations 1989 shall be amended from 31 December 2021 to 30 June 2022
(c) Tax Administration – Customs Act		
	(i) Presently, a fee of Rs 300 is payable for amendments to be made to the aircraft/ship cargo manifest. This fee shall not be applicable for amendments attributable to a just and reasonable cause	Regulations is in the process of gazetting for the implementation of this measure (Amendments brought to the Customs Regulations 1989 by the introduction of new Regulation 22)

	Measures	Implementation
	(ii) MRA Customs to carry out the inspection of aircrafts/ ships on a risk-management basis provided that the master/owner of the aircraft/ship has submitted all the required information in advance.	Already implemented as from 5 August 2021 – section 18(m) of the Finance (Miscellaneous Provisions) Act 2021
	(iii) MRA Customs is empowered to issue clearance to any departing aircraft/ship electronically with a view to reducing cost and dwell time.	Regulations is in the process of gazetting for the implementation of this measure (Amendments brought to Regulation 57 of the Customs Regulations 1989)
	(iv) Given that an increasing number of parcels of minimal value are being imported/exported by air and it is an administrative hassle to make a Bill of Entry for each transaction, provision is being made to allow economic operators to submit a consolidated Bill of Entry for such goods imported/exported through post and courier services during a month on such terms and conditions as the Director-General may determine.	Shall be implemented as from 1 October 2021– section 18(k) and (p) of the Finance (Miscellaneous Provisions) Act 2021
	(v) Provision is being made to allow electronic submission of bill of lading and other documents required for clearance of goods.	Already implemented as from 5 August 2021 – section 18 (f) (i) (B) and (ii) of the Finance (Miscellaneous Provisions) Act 2021
	(vi) Where an administrator, executor, receiver or liquidator is appointed to manage or wind up the business of a person transacting business with Customs, he will have to inform Director-General of his appointment within 15 days.	Already implemented as from 5 August 2021 – section 18(e) of the Finance (Miscellaneous Provisions) Act 2021
	(vii) Provision has been made under the Customs Act for the keeping of all documents for at least 5 years.	Already implemented as from 5 August 2021 – section 18(l) of the Finance (Miscellaneous Provisions) Act 2021
	(viii) Duty free sales be allowed between a duty-free shop and a Customs Approved Storeroom (duty free warehouse for aircraft supplies).	Already implemented as from 22 December 2020 – section 18(a)(i) of the Finance (Miscellaneous Provisions) Act 2021 and amendments are being made to Regulation 61A of the Customs Regulations 1989 with retrospective effect.
	(ix) Provision will be made for penalty and interest to be applicable in case of non-payment of duty, excise duty and taxes by the due date under the Deferred Payment Scheme.	Already implemented as from 5 August 2021 – section 18(c) of the Finance (Miscellaneous Provisions) Act 2021

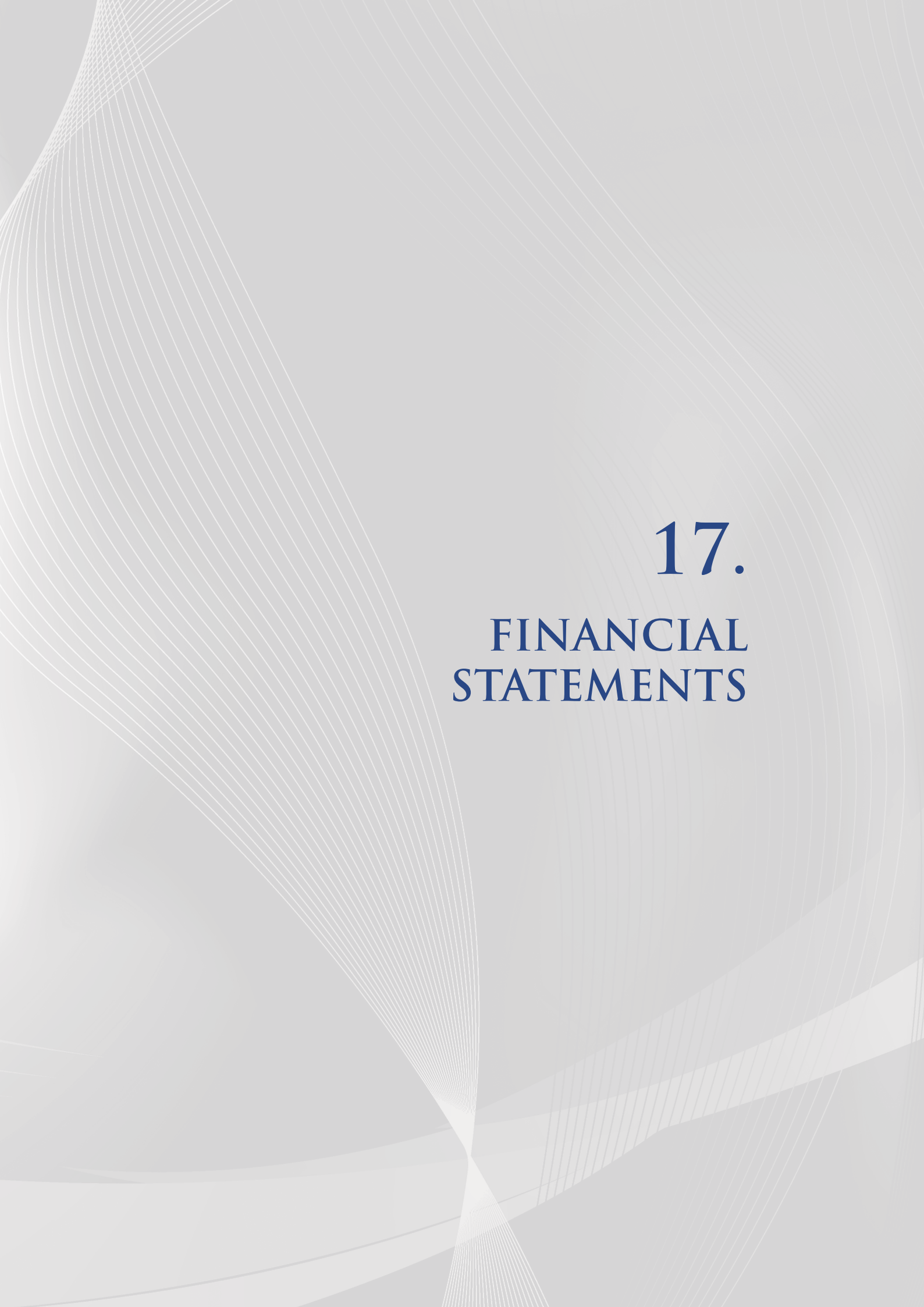
	Measures	Implementation
	(x) Failure by the master or agent of an aircraft or ship to amend his cargo manifest to account for any discrepancy between the manifested cargo and landed cargo within 5 working days after the vessel has been berthed or the aircraft has landed, a penalty of Rs 500 per day of non-compliance, subject to a maximum of Rs 5,000 shall be applicable. An aggrieved person will have a right of appeal against the penalty.	Shall be implemented as from 1 October 2021 – section 54(i) of the Finance (Miscellaneous Provisions) Act 2021 (appeal provision) Regulations is in the process of gazetting for the implementation of this measure (Amendments brought to the Customs Regulations 1989 by the introduction of new Regulation 22)
	(xi) In the context of the fight against money laundering and financing of terrorism, definitions for jewellery, precious metal and precious stone shall be introduced in line with those in the Financial Intelligence and Anti-Money Laundering Act. In addition, it will be clarified that MRA Customs has the power to enforce customs laws where there is suspected money laundering involving precious stones and metals or any goods of high value.	Already implemented as from 5 August 2021 – section 18(r) and (s) of the Finance (Miscellaneous Provisions) Act 2021
	(xii) It will be clarified that goods may be imported for a maximum period of twelve months under the Temporary Admission Scheme. However, for goods imported in connection with the implementation of a project. The time limit of twelve months may be extended by an additional period which shall not exceed 3 years.	Already implemented as from 5 August 2021 – section 18(h) of the Finance (Miscellaneous Provisions) Act 2021
	(xiii) The maximum warehousing period for goods entered in a bonded warehouse during the period 2 November 2019 to 31 December 2020 was extended from 24 to 36 months from the date of entry with effect from 23 March 2020. The objective was to give additional time to importers to sell their goods in view of the difficult economic situation due to the COVID-19 pandemic. Amendment is being made to the Customs Act with retrospective effect.	Already implemented as from 23 March 2020 – section 18(o) of the Finance (Miscellaneous Provisions) Act 2021
(d) Tax Administration – Excise Act		
	(i) A manufacturer may require individual excise licences if he engages in different types of business activities under the Excise Act. Currently, separate applications have to be made for each category of excise licence. With a view to reducing processing time, henceforth only a single application will be required for a composite licence which shall be a combination of manufacturers licences. However, the fee for each excise licence will remain payable.	Already implemented as from 5 August 2021 – section 24(a) and (f) of the Finance (Miscellaneous Provisions) Act 2021
	(ii) Provision being made to allow manufacturers of sugar sweetened products to submit a consolidated Bill of Entry for goods warehoused and cleared during a month to reduce their administrative burden given that these manufacturers clear goods in small quantities every day. Taxes will have to be paid within 5 working days from the end of that month.	Shall be implemented as from 1 October 2021 – section 24(c) of the Finance (Miscellaneous Provisions) Act 2021

	Measures	Implementation
	(iii) The provisions regarding penalty and rate of interest payable on late payment of excise duty will be harmonised with those applicable under the Customs Act.	Already implemented as from 5 August 2021 – section 24(d) and (e) of the Finance (Miscellaneous Provisions) Act 2021
	(iv) MRA Customs is empowered to recover erroneous payments made to exporters/recyclers in respect of waste PET bottles exported/recycled and waste tyres exported/recycled/retreaded.	Already implemented as from 5 August 2021 – section 24(g) of the Finance (Miscellaneous Provisions) Act 2021
	(v) Consequential to the banning of single use plastic products subject to excise duty with effect from 15 January 2021, the validity period of excise licences granted to importers/manufacturers of such products, which was due to expire on 31 December 2020, was extended until 14 January 2021. Amendment being made with retrospective effect for this extension.	Already implemented as from 1 January 2021 – section 24(h) of the Finance (Miscellaneous Provisions) Act 2021
(e) Promoting Renewable Energy and Energy Efficiency		
	Importation of non-inverter type air conditioners will be banned in a phased manner by 2024, starting with those with capacity of at least 36,000 BTU as from January 2022;	To be implemented upon the gazetting of Regulations related to this measure
	The existing ban on importation of incandescent light bulbs of at least 75 watts will be extended to all incandescent light bulbs used for general lighting in order to pave the way for more energy efficient lighting;	To be implemented upon amendments made to the Third Schedule (Prohibited Goods) of the Consumer Protection (Control of Imports) Regulations 2017
(f) Facilitating Trade		
	A Trusted Trader Programme will be introduced where importers with a good history of compliance will be able to register for a Certificate allowing them to import goods without the need for permits for each import.	5 August 2021 – sections 18(a)(ii), (f), (g) and (j), 20 (a) (iii), (d) (i) and (iii), 22 (e) (viii), 29 (a) (i), (iv) and (c), 29 (a) (i), (iv) and (c), 58 (a) (iv) and (d), 65 (c) and (g) and 66 (a) and (c) of the Finance (Miscellaneous Provisions) Act 2021 – is in the process of being implemented

	Measures	Implementation
	(b) Public Sector Agencies concerned with the Trusted Trader Programme are, namely, the - (i) National Agricultural Products Regulatory Office; (ii) National Plant Protection Office; (iii) Dangerous Chemicals Control Board ; (iv) Ministry of Environment, Solid Waste Management and Climate Change; (v) Food Import Unit; (vi) Information and Communication Technologies Authority; (vii) Mauritius Standards Bureau; (viii) Division of Veterinary Services; (ix) Ministry of Commerce and Consumer Protection; (x) Ministry of Blue Economy, Marine Resources, Fisheries and Shipping; (xi) Radiation Safety and Nuclear Security Authority; and (xii) Pharmacy Board.	
(g) Dangerous Chemicals Control Act		
	In line with the recommendations of the Commission of Enquiry on Drug Trafficking Report, the Dangerous Chemicals Control Act will be amended to - (a) harmonise definitions with the Customs Act and enable sharing of information between the Ministry of Health and Wellness and the MRA and any other public sector agency; (b) provide for recordkeeping of retail transactions for dangerous chemicals; and (c) provide the MRA with powers of inspection and entry.	Powers have been given to MRA Customs under the Dangerous Drugs Act.
(h) Dangerous Drugs Act		
	The Dangerous Drugs Act will be amended to - (a) harmonise definitions with the Customs Act in view to control and limit manufacture of drugs/controlled substances; (b) empower the MRA to effect seizure in case of unlawful manufacture of substances and perform inspections on premises dealing with dangerous drugs; and (c) clarify on the application of orders made under the Dangerous Drugs Act, the Asset Recovery Act or the Good Governance and Integrity Reporting Act with regards to forfeiture of any money obtained in respect of offences made under the Dangerous Drugs Act.	Already implemented as from 17 August 2021 - section 21 of the Finance (Miscellaneous Provisions) Act 2021

	Measures	Implementation
(i) Freeport Act		
	The Freeport Act will be amended to – (a) allow third-party freeport developers to provide space to an enterprise outside the Freeport zone for manufacturing and storage of goods subject to clearance of the goods from the Director-General under the Customs Act; (b) introduce display showroom as an authorised freeport activity to allow freeport operators to promote and market their products to potential buyers; and (c) empower the Director-General, in consultation with EDB, to extend the warehousing period of 24 months for goods imported into the freeport zone for a further maximum period of 36 months under such terms and conditions as Director-General may determine.	Already implemented as from 5 August 2021 - section 34 of the Finance (Miscellaneous Provisions) Act 2021
(j) Immigration Act		
	The Immigration Act will be amended to enable the Passport and Immigration Office to share information of non-citizens to concerned stakeholders for verification purposes.	Already implemented as from 5 August 2021 - section 37 of the Finance (Miscellaneous Provisions) Act 2021
(k) United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act		
	The United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act will be amended to ensure the effective implementation of the UN Sanctions Act.	Already implemented as from 5 August 2021 - section 90 of the Finance (Miscellaneous Provisions) Act 2021





17.

FINANCIAL STATEMENTS

BOARD'S REPORT

The Board of the Mauritius Revenue Authority presents the audited financial statements of the Mauritius Revenue Authority for the year ended 30 June 2021

Statement of Board's responsibilities in respect of the financial statements

It is the responsibility of the MRA to prepare and submit an annual report which includes the financial statements to the MRA Board for approval. After approval by the MRA Board, the Chief Executive Officer shall, not later than 31 October after the end of every financial year, submit the annual report to the auditor. On receipt of the annual report including the audited financial statements and the audit report, the MRA Board shall, not later than one month from the date of receipt, furnish to the Minister such reports and financial statements.

The audited statements and audit opinion are appended to this report.

While approving the financial statements, the Board ensures that:

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures explained in the financial statements;
- The financial statements have been prepared on the going concern basis.

The Board confirms that they have complied with the above requirements.

MRA is responsible for keeping proper accounting records for the purpose of recording all the transactions relating to its undertakings, funds, activities and property and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the MRA Board



N .K. BALLAH, G.O.S.K

Chairperson

REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE MAURITIUS REVENUE AUTHORITY



REPORT OF THE DIRECTOR OF AUDIT

On the Financial Statements
of the Mauritius Revenue Authority
for the period ended 30 June 2021

NATIONAL AUDIT OFFICE



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE MAURITIUS REVENUE AUTHORITY

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Mauritius Revenue Authority, which comprise the statement of financial position as at 30 June 2021, and the statement of financial performance, statement of changes in net assets/equity, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Mauritius Revenue Authority as at 30 June 2021, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report. I am independent of the Mauritius Revenue Authority in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Mauritius Revenue Authority but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Mauritius Revenue Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible of overseeing the Mauritius Revenue Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mauritius Revenue Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Mauritius Revenue Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Mauritius Revenue Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Management's Responsibilities for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the Mauritius Revenue Authority's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

Auditor's Responsibilities

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Board whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- (b) the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- (c) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- (d) in my opinion, the Mauritius Revenue Authority has been applying its resources and carrying out its operations fairly and economically; and
- (e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

As far as it could be ascertained from my examination of the relevant records:

- (a) the Mauritius Revenue Authority has complied with the Statutory Bodies (Accounts and Audit) Act; and
- (b) no direction relating to the accounts has been issued by the responsible Minister to the Mauritius Revenue Authority.

Based on my examination of the records of the Mauritius Revenue Authority, nothing has come to my attention that causes me to believe that:

- (a) expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (b) the Authority has not applied its resources and carried out its operations fairly and economically.

Public Procurement Act

In my opinion, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.



C. ROMOAH
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

13 April 2022

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

	Notes	30 JUNE 2021 Rs	30 JUNE 2020 Rs
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	76,309,394	37,911,122
Receivables	8	917,312	667,304
Inventories	9	9,082,743	7,032,152
Prepayments	8	34,403,979	27,548,838
Loan	10	16,540,984	20,517,639
Investment Securities	11	16,850,000	16,750,000
		<u>154,104,412</u>	<u>110,427,055</u>
Non-Current Assets			
Deposit	12	8,445,013	8,445,013
Loan	10	46,495,184	54,819,990
Property, Plant and Equipment	5	868,326,889	810,411,138
Intangible Assets	6	55,539,321	55,686,660
		<u>978,806,407</u>	<u>929,362,801</u>
TOTAL ASSETS		<u>1,132,910,819</u>	<u>1,039,789,856</u>
LIABILITIES			
Current Liabilities			
Payables	13	75,693,522	47,567,694
Advance	14	16,540,984	20,517,639
		<u>92,234,506</u>	<u>68,085,333</u>
Non-Current Liabilities			
Advance	14	46,495,184	54,819,990
Provisions	15	7,879,190	7,395,300
Employee Benefits	23	4,072,769,180	2,958,288,104
		<u>4,127,143,554</u>	<u>3,020,503,394</u>
TOTAL LIABILITIES		<u>4,219,378,060</u>	<u>3,088,588,727</u>
NET ASSETS		<u>(3,086,467,241)</u>	<u>(2,048,798,871)</u>
NET ASSETS/ EQUITY			
Revaluation Surplus	26	79,471,829	84,576,635
General Fund		(3,165,939,070)	(2,133,375,506)
TOTAL NET ASSETS/ EQUITY		<u>(3,086,467,241)</u>	<u>(2,048,798,871)</u>

Approved by the Board on 29 September 2021



Chairperson



Board Member

The Notes on pages 160 to 179 form part of the financial statements.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

		YEAR ENDED 30 JUNE 2021	YEAR ENDED 30 JUNE 2020
	Notes	Rs	Rs
Revenue			
Revenue from Non-Exchange Transactions	16	2,126,905,336	2,148,133,973
Revenue from Exchange Transactions	17	856,885	1,864,634
Total Revenue		2,127,762,221	2,149,998,607
Expenses			
Salaries and Other Employee Benefits	18	1,706,970,126	1,652,011,002
Goods and Services	18	271,616,909	266,683,115
Depreciation and Amortisation Expense	18	122,636,865	124,130,703
Impairment of Property, Plant and Equipment	21	163,689	-
Loss on Disposal / Scrap of Assets	21	1,205,203	1,416,088
Finance costs	19	12,112,812	11,038,010
Total Expenses		2,114,705,604	2,055,278,918
Surplus for the period		13,056,617	94,719,689

STATEMENT OF CHANGES IN NET ASSETS / EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Revaluation Surplus	General Fund	Total
	Rs	Rs	Rs
Balance at 1 July 2019	89,154,309	(1,295,724,602)	(1,206,570,293)
Change in net assets/ equity for the period			
Transfer to accumulated surplus/(deficit)	(3,367,774)	3,367,774	-
Impairment loss	(1,209,900)	-	(1,209,900)
Loss on remeasurement of defined benefit obligation	-	(935,738,367)	(935,738,367)
Surplus for the period	-	94,719,689	94,719,689
Total recognised revenue and expense for the period	(4,577,674)	(837,650,904)	(842,228,578)
Balance at 30 June 2020	84,576,635	(2,133,375,506)	(2,048,798,871)
Balance at 1 July 2020	84,576,635	(2,133,375,506)	(2,048,798,871)
Change in net assets/ equity for the period			
Transfer to accumulated surplus/(deficit)	(5,104,806)	5,104,806	-
Loss on remeasurement of defined benefit obligation	-	(1,050,724,987)	(1,050,724,987)
Surplus for the period	-	13,056,617	13,056,617
Total recognised revenue and expense for the period	(5,104,806)	(1,032,563,564)	(1,037,668,370)
Balance at 30 June 2021	79,471,829	(3,165,939,070)	(3,086,467,241)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	YEAR ENDED 30 JUNE 2021	YEAR ENDED 30 JUNE 2020
	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus	13,056,617	94,719,689
Adjustments for :		
Depreciation and Amortisation	122,636,865	124,130,703
Capital Grant Recognised in Surplus/Deficit	(208,905,336)	(258,230,743)
Capital Grant - Cash Received	208,905,336	255,545,608
Increase in Provision for Dismantling Cost	483,890	818,048
Increase in Long Term Provision for Employee Benefits	63,756,090	65,605,738
Loss on Disposal/Scrap/Write-off	1,205,203	1,411,088
Loss on Impairment	163,689	-
Liquidated Damages	-	(379,984)
(Increase) /Decrease in Inventories	(2,050,591)	2,522,753
(Increase) in Receivables	(7,105,149)	(1,110,458)
Increase/(Decrease) in Payables	28,125,828	(34,271,134)
Net Cash Flows from Operating Activities	220,272,442	250,761,308
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment (Note b)	(182,500,500)	(283,716,393)
Proceeds from Sale of Property, Plant and Equipment	726,330	557,956
Investment in Treasury Certificates	(16,850,000)	(16,750,000)
Redemption of Treasury Certificates	16,750,000	12,000,000
Loan to Staff	(14,598,000)	(25,703,170)
Repayment of Loan by Staff	26,899,461	23,325,696
Net Cash Flows from Investing Activities	(169,572,709)	(290,285,911)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance Received	14,598,000	25,703,170
Repayment of Advance	(26,899,461)	(23,325,696)
Net Cash Flows from Financing Activities	(12,301,461)	2,377,474
Net Increase/(Decrease) in Cash & Cash Equivalents	38,398,272	(37,147,129)
Cash & Cash Equivalents at Start	37,911,122	75,058,251
Cash & Cash Equivalents at End (Note a)	76,309,394	37,911,122

Notes to the Cash flow Statement

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and balance with bank and comprise the following statement of financial position amounts.

	2021	2020
	Rs	Rs
Cash at bank	76,227,001	37,788,146
Cash in hand	82,393	122,976
	76,309,394	37,911,122

(b) Property, Plant and Equipment

The aggregate cost of acquisitions was Rs 182,500,500.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	RECURRENT BUDGET			
	Budgeted Amounts		Actual Amount	Difference: Revised Budget and Actual
	Original	Revised		
	Rs	Rs	Rs	Rs
REVENUE	1,885,500,000	1,918,500,000	1,918,856,885	356,885
EXPENSES (Excluding Depreciation & Amortisation)				
Staff Costs	1,614,700,000	1,625,700,000	1,614,979,281	10,720,719
Training of Staff	2,850,000	700,000	661,168	38,832
Board Members Fees	2,650,000	2,500,000	2,465,000	35,000
Missions /Training Abroad	2,000,000	-	-	-
Professional Fees	8,000,000	8,000,000	5,550,067	2,449,933
Office Expenses & Services	48,600,000	57,300,000	56,743,074	556,926
Rent	46,700,000	46,700,000	46,567,417	132,583
Utilities	35,000,000	39,000,000	37,545,496	1,454,504
Motor Vehicles Expenses	19,700,000	21,600,000	21,347,787	252,213
Advertising and Publications	5,900,000	6,200,000	6,026,742	173,258
Printing and Stationery	8,000,000	6,200,000	6,161,731	38,269
IT Expenses	55,000,000	66,000,000	65,674,947	325,053
Uniform and Protective Equipment	8,500,000	8,000,000	7,859,873	140,127
Conference Expenses	500,000	-	-	-
Contributions /Subscriptions	6,900,000	7,600,000	7,391,352	208,648
Service/Bank Charges	10,000,000	12,500,000	12,112,812	387,188
Tobacco & Alcohol Stamps	10,000,000	10,000,000	7,622,255	2,377,745
	1,885,000,000	1,918,000,000	1,898,709,002	19,290,998
Increase in Provision for Leave			29,285,591	(29,285,591)
Increase in Provision for Defined Benefit Obligation			62,705,254	(62,705,254)
Total Expenses	1,885,000,000	1,918,000,000	1,990,699,847	(72,699,847)
Budgeted/ Actual Surplus/ (Deficit)	500,000	500,000	(71,842,962)	(72,342,962)

	CAPITAL BUDGET			
	Budgeted Amounts		Actual Amount	Difference: Revised Budget and Actual
	Original	Revised		
	Rs	Rs	Rs	Rs
Capital Expenditure	413,000,000	355,200,000	182,500,500	172,699,500

Material differences are explained at Note 25.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021**1. Principal Activities**

The Mauritius Revenue Authority (MRA), a body corporate, was established on 20 October 2004 to serve the purpose described in the Mauritius Revenue Authority Act 2004. It commenced operations on 1 July 2006 acting as agent of the State for the collection of revenue under the revenue laws and for matters incidental thereto. The MRA also assists the Government in the distribution of income support and the payment of allowances to beneficiaries.

Reporting Period

The financial statements have been prepared for the 12 months ended 30 June 2021 with comparative information for the 12 months ended 30 June 2020.

2. Adoption of International Public Sector Accounting Standards (IPSASs)**2.1 Standards Adopted**

The Authority has adopted the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB) as from the year 2011 in line with amendments made in the Statutory Bodies (Accounts and Audit) Act.

2.2 Standards Issued but not yet Effective

At the date of authorisation of the financial statements, the following IPSASs were in issue but not yet effective. Responding to the global COVID-19 pandemic, the IPSASB has deferred application of these standards by one year from 1 January 2022 to 1 January 2023 with a view to provide additional implementation time and operational relief to public sector entities.

IPSAS 41 - Financial Instruments

IPSAS 42 - Social Benefits

IPSAS 41 will replace IPSAS 29 "Financial Instruments: Recognition and Measurement" and the objective is to establish new requirements for classifying, recognising and measuring financial instruments.

It is expected that adoption of the new principles-based approach to classification and measurement will not have a major impact on the financial statements of MRA.

The objective of IPSAS 42 is to help users of financial statements to assess the nature of social benefits provided by an entity, the features of the operation of social benefit scheme and the impact of social benefits on the entity's financial performance, financial position and cash flows.

This Standard will not have an impact on the financial statements of MRA.

3. Accounting Policies

The principal accounting policies adopted by the Authority are as follows:

(a) Basis of Preparation

The financial statements comply with International Public Sector Accounting Standards (IPSASs) for the accrual basis of accounting. The measurement base applied is historical cost adjusted for revaluation of assets.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

3. Accounting Policies (Cont'd)**(b) Property, Plant and Equipment and Depreciation**

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and depreciation is calculated to write off the cost or valuation of tangible fixed assets less any estimated residual value on a straight-line basis over their expected useful lives. Depreciation is charged on a pro-rata basis in the year of acquisition and none in the year of disposal.

The annual rates of depreciation are as follows:

Building	1.45%
Computer Equipment	12.50%
Furniture & Fittings	10% - 12.50%
Scanners	12.50%
Vehicles	10% - 20%
Equipment	5% - 25%
Sniffer Dogs	20%

Expenditure of a capital nature but costing less than Rs 5,000 is expensed to the statement of financial performance. However, bulk purchases of items costing less than Rs 5,000 per item are capitalised and fully depreciated in the year of acquisition.

In the year of revaluation, depreciation is calculated and charged on a pro-rata basis using date of revaluation as cut-off point. When an asset is revalued, the revalued amount net of any estimated residual value is depreciated over the asset's remaining useful life.

(c) Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses. Computer software costs are recognised as intangible assets and amortised using the straight-line method over their useful lives, not exceeding a period of 8 years.

(d) Revaluation of Property, Plant and Equipment

Property, plant and equipment are revalued by internal or external valuers every 3 to 5 years. Increase in carrying amount of a class of assets is credited directly to revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same class of assets previously recognised in surplus or deficit.

If the carrying amount of a class of assets is decreased, the decrease is recognised in surplus or deficit. However, the decrease is directly debited to revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that class of assets.

On retirement or disposal of a revalued asset, the whole revaluation surplus in respect of that asset is transferred directly to accumulated surplus or deficit.

(e) Inventories

Inventories consist of excise stamps, spare parts and consumables and are valued at the lower of cost or net realisable value (NRV), or replacement cost in the absence of NRV.

(f) Accounts Receivable

Accounts receivable are stated at original invoice amount less an estimate for doubtful receivables based on a review of all outstanding amounts at year end.

(g) Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and cash in hand.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

3. Accounting Policies (Cont'd)

(h) Accounts Payable

Accounts payable are stated at their fair value.

(i) Revenue recognition

(i) *Exchange Transactions*

Revenue from exchange transactions are measured at the fair value of the consideration received or receivable and recognised as follows:

- Interest on a time proportion basis that takes into account the effective yield on the asset.
- Charges for use of assets (other than cash and cash equivalents) as they are earned in accordance with terms of the relevant agreement.

(ii) *Non-Exchange Transactions*

Assets and revenue arising from transfer transactions are recognised in accordance with the requirements of IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers).

● **Transfer Revenue**

Assets and Revenue arising from transfer transactions are recognised in the period in which the transfer arrangement becomes binding and are measured at fair value at the date of recognition.

Monetary assets are measured at their nominal value.

Non-monetary assets are measured at their fair value which are determined by reference to observable market values or by independent appraisal by a member of the valuation profession.

Receivables are recognised when a binding transfer arrangement is in place but cash has not been received.

Where transfers are received prior to a transfer arrangement becoming binding, a liability is recognised for the advance receipt.

● **Taxes**

MRA is an agent of the Government for collection of revenue under the Revenue Laws and amounts collected do not represent economic benefits or service potential that flow to the entity and do not result in increase in assets or decrease in liabilities. Hence, taxes collected are excluded from revenue and are not reported in the financial statements.

However, statements are prepared in accordance with Section 10 of the MRA Act 2004 regarding the various taxes for the purpose of :

- (i) assessment of liability to, the collection of and accountability for tax; and
- (ii) the management, operation and enforcement of the Revenue Laws.

(j) Excise Stamps

Fees collected from sale of excise stamps are treated as tax accruing to the Government and paid to the Consolidated Fund.

3. Accounting Policies(Cont'd)

(k) Employee Benefits

• Retirement Benefits

MRA operates both a defined benefit pension plan and a defined contribution pension scheme.

(i) Retirement Benefits under Defined Benefit Pension Plan

The assets of the defined benefit pension plan are held independently and administered by SICOM Ltd.

A liability or asset is recognised in the Statement of Financial Position equal to the net of the present value of the defined benefit obligation and the fair value of plan assets at the end of the reporting period. The defined benefit obligation is calculated annually by SICOM Ltd using the Projected Unit Method.

The present value of the defined benefit obligation is calculated by discounting estimated future cash outflows using a discount rate determined by reference to market yields on bonds.

The Net Interest Cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the Statement of Financial Performance.

Service cost is recognised in the Statement of Financial Performance.

Remeasurement of the net defined benefit liability or asset arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly to Accumulated Surplus / Deficit in the Statement of Net Assets / Equity.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised in the Statement of Financial Performance as past service cost.

(ii) Public Pensions Defined Contribution Pension Scheme

A public pension defined contribution pension scheme was set up with effect from 1 January 2013 following amendment to the Statutory Bodies Pension Funds Act 1978. New entrants in MRA as from 1 January 2013 contribute 6% of their salaries to the Scheme. MRA contributes 12% of the salaries paid to the new entrants and such contributions are expensed to the Statement of Financial Performance in the period in which they fall due.

(iii) State plan

The MRA contributes to the Family Protection Scheme managed by SICOM Ltd and the Civil Service FPS Board to cater for payment of pension by the latter to surviving spouse and/or children of deceased employees. Contribution to the National Pension Fund (NPF) ceased as from September 2020 and was replaced by the Contribution Sociale Généralisée (CSG) .

These contributions are expensed to the Statement of Financial Performance in the period in which they fall due.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

3. Accounting Policies(Cont'd)

(k) Employee Benefits (Cont'd)

(iv) Leave

MRA employees are entitled to 21 days of sick leave per year and can accumulate their unutilised sick leave up to a maximum of 100 days in bank. Once the maximum is reached, they are entitled to encash up to 16 unutilised days of sick leave out of their annual entitlement. Sick leave accumulated in bank may either be cashed on retirement or taken as pre-retirement leave.

MRA employees are also entitled to accumulate their unutilised annual leave up to a maximum of 90 days in bank which may be cashed on retirement or taken as pre-retirement leave.

Liabilities for unutilised leave are recognised in surplus or deficit in the period in which they are earned and are measured at the amounts expected to be paid. Unutilised leave in bank is treated as a long term liability except for staff who are expected to retire within one year from year end. The provision for the latter is included in current liabilities.

(v) Car loan to staff

Employees who are entitled to duty deferred facilities are also eligible to a car loan on the following terms:

Loan amount : Maximum of 15 months salary

Interest rate : 4% per annum

Loan repayment period : Not more than 84 months.

The car loan scheme is effective as from January 2016 and funds are provided by Ministry of Finance, Economic Planning and Development (MOFEPD) by way of an advance to the MRA.

The advance from MOFEPD is initially recognised as a financial liability at the fair value of consideration received whereby loan granted to staff is initially recognised as a financial asset at the fair value of consideration given. Subsequent measurements are at amortised cost.

Repayment due by staff within one year is included under current assets and receivable due later than one year under non-current assets.

The portion of advance refundable within one year is included under current liabilities and advance payable later than one year under non-current liabilities.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

3. Accounting Policies(Cont'd)**(l) Foreign Currency Translation**

Transactions in foreign currencies are translated into the functional and presentation currency, Mauritian Rupee, at the date of transaction using the spot exchange rate.

Monetary assets and liabilities denominated in foreign currencies in the Statement of Financial Position are translated into Mauritian Rupees using the closing rate.

Exchange differences are recognised in surplus or deficit in the period in which they arise.

(m) Impairment

At each reporting date, the Authority reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount subject to the increased carrying amount not exceeding the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. Accounting Judgements and key Sources of Estimation Uncertainty

The preparation of financial statements in accordance with IPSASs requires the Authority's management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

5. Property, Plant & Equipment

	Building	Computer Equipment	Furniture & Fittings	Motor vehicles	Equipment	Sniffer Dogs	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST / VALUATION							
At 1 July 2020	299,665,500	255,148,851	80,031,080	58,162,612	434,929,731	-	1,127,937,774
Transfer (Note a)					(2,043,201)	2,043,201	
Adjusted Cost/ Valuation at 1 July 2020	299,665,500	255,148,851	80,031,080	58,162,612	432,886,530	2,043,201	1,127,937,774
Additions	-	13,736,164	3,167,088	-	6,815,270	-	23,718,522
Disposals/Scrap	-	(2,642,256)	(358,258)	(740,100)	(8,248,079)	(40,800)	(12,029,493)
Impairment	-	-	-	-	(163,689)		(163,689)
Adjustment (Note b)	-	(247,538)	(320,483)	-	(11,050)	-	(579,071)
AT 30 JUNE 2021	299,665,500	265,995,221	82,519,427	57,422,512	431,278,982	2,002,401	1,138,884,043

DEPRECIATION

At 1 July 2020	36,915,315	85,726,426	58,890,811	27,966,868	202,648,286	-	412,147,706
Transfer (Note a)					(1,013,841)	1,013,841	
Adjusted Depreciation at 1 July 2020	36,915,315	85,726,426	58,890,811	27,966,868	201,634,445	1,013,841	412,147,706
Charge for the period	4,342,979	36,143,977	3,697,534	6,647,888	51,081,407	263,672	102,177,457
Adjustment - Depreciation Charge (Note c)						(429,264)	(429,264)
Disposals/Scrap	-	(1,319,845)	(269,220)	(245,000)	(8,240,095)	(23,800)	(10,097,960)
Adjustment (Note b)	-	(247,538)	(320,483)	-	(11,050)		(579,071)
AT 30 JUNE 2021	41,258,294	120,303,020	61,998,642	34,369,756	244,464,707	824,449	503,218,868

NET BOOK VALUE

AT 30 JUNE 2021	258,407,206	145,692,201	20,520,785	23,052,756	186,814,275	1,177,952	635,665,175
Progress payments on Tangible Non-Current Assets							221,503,063
Tangible Non-Current Assets awaiting Commissioning							11,158,651
							868,326,889
AT 30 JUNE 2020	262,750,185	169,422,425	21,140,269	30,195,744	231,252,085	1,029,360	715,790,068
Progress payments on Tangible Non-Current Assets							94,621,070
							810,411,138

NOTE:

- (a) Sniffer dogs previously included in equipment have been transferred and shown under a separate class of assets.
- (b) Adjustment of Rs 579,071 represents bulk purchase of items costing less than Rs 5,000 per unit that have been capitalised and fully depreciated in year of acquisition in line with existing depreciation policy.
- (c) Depreciation charge for previous years in respect of dogs have been adjusted following change in the dates they were placed in service.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

6. Intangible Assets

	Computer Software Rs
COST	
At 1 July 2020	163,951,557
Additions	12,942,478
Disposal/Scrap	(61,825,456)
Adjustment (Note a)	(275,908)
AT 30 JUNE 2021	114,792,671
AMORTISATION	
At 1 July 2020	109,488,139
Charge for the period	20,888,672
Disposal/Scrap	(61,825,456)
Adjustment (Note a)	(275,908)
AT 30 JUNE 2021	68,275,447
NET BOOK VALUE	
AT 30 JUNE 2021	46,517,224
Progress payment	9,022,097
TOTAL	55,539,321
AT 30 JUNE 2020	54,463,418
Progress payment	1,223,242
TOTAL	55,686,660

Note (a)

Items costing less than Rs 5,000 per unit are capitalised and fully amortised in the year of acquisition.

	30 JUNE 2021 Rs	30 JUNE 2020 Rs
7. Cash and Cash Equivalents		
Cash at Bank	76,227,001	37,788,146
Cash in Hand	82,393	122,976
Total	76,309,394	37,911,122
8. Receivables and Prepayments		
Receivables - Exchange Transactions	873,312	637,304
Deposit	44,000	30,000
	917,312	667,304
Prepayments	34,403,979	27,548,838
Total	35,321,291	28,216,142

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

	30 JUNE 2021 Rs	30 JUNE 2020 Rs
9. Inventories		
Consumables	4,649,040	4,850,365
Excise Stamps	3,596,786	1,323,215
Spare Parts	836,917	858,572
Total	9,082,743	7,032,152
10. Car Loan to staff		
Balance at start	75,337,629	72,960,155
Loan granted	14,598,000	25,703,170
Loan repaid	(26,899,461)	(23,325,696)
Balance at end	63,036,168	75,337,629
Receivable due not later than one year	(16,540,984)	(20,517,639)
Receivable due later than one year	46,495,184	54,819,990
Receivable due later than one year but within five years	42,242,856	48,416,990

Loan equivalent to a maximum of 15 months salary is granted to staff for purchase of vehicles at an interest rate of 4% and refundable over a period not exceeding 7 years.

11. Investment Securities

An amount of Rs 16,850,000 has been invested in Treasury Certificates issued by the Government of Mauritius (GMTC) through the Bank of Mauritius with a tenor of 182 days for a yield of 0.52 % per annum and is redeemable at par upon maturity on 1 July 2021.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

	30 JUNE 2021 Rs	30 JUNE 2020 Rs
12. Deposit		
Mauritius Chamber of Commerce and Industry (MCCI)	8,000,000	8,000,000
Airports of Mauritius Co Ltd (AML)	445,013	445,013
Total	8,445,013	8,445,013
- The deposit of Rs 8 Million represents a float advanced to MCCI for the purpose of refund of VAT and Customs duty incurred by non-residents. - The deposit of Rs 445,013 to AML represents an interest free three months rental for lease of a plot of land of 11,867 m² for the purpose of construction of an Integrated Government Clearance Centre at Plaisance Airport. The deposit is fixed and refundable to Mauritius Revenue Authority on expiry of the lease in forty years.		
13. Payables		
Trade Payables	20,827,353	21,329,573
Other Payables	246,713	257,563
Employee Benefits	54,619,456	25,980,558
Total	75,693,522	47,567,694
14. Advance from MOFEPD		
Balance at start	75,337,629	72,960,155
Advance received	14,598,000	25,703,170
Advance repaid	(26,899,461)	(23,325,696)
Balance at end	63,036,168	75,337,629
Payable not later than one year	(16,540,984)	(20,517,639)
Payable later than one year	46,495,184	54,819,990
Payable later than one year but within five years	42,242,856	48,416,990

The Ministry of Finance, Economic Planning and Development (MOFEPD) provide funds to MRA by way of an advance for grant of car loan to employees.

15. Provision for Dismantlement of Property, Plant and Equipment

The MRA acquired an X-Ray Gantry Scanner in April 2016. The initial provision of Rs 6,628,380 recognised for costs to be incurred for dismantling the equipment and restoration of site which is expected in 8 years from date of acquisition has been reviewed to Rs 7,879,190 due to fluctuation in exchange rate of USD.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

	YEAR ENDED 30 JUNE 2021 Rs	YEAR ENDED 30 JUNE 2020 Rs
16. Revenue from Non-Exchange Transactions		
Grants received for Capital Expenditure		
Cash	208,905,336	255,545,608
Asset	-	2,685,135
	<u>208,905,336</u>	<u>258,230,743</u>
Grants received for Revenue Expenditure	1,918,000,000	1,889,900,000
Legal Costs received	-	3,230
Total	<u>2,126,905,336</u>	<u>2,148,133,973</u>
17. Revenue from Exchange Transactions		
Liquidated Damages	-	382,562
Refund of Duty	7,599	329,182
Encashment of Bond	4,315	362,540
Refund of Pension Contribution	631,451	345,937
Interest - Treasury Certificates	135,059	377,186
Sundries	78,461	67,227
Total	<u>856,885</u>	<u>1,864,634</u>

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

	YEAR ENDED 30 JUNE 2021 Rs	YEAR ENDED 30 JUNE 2020 Rs
18. Expenses		
Salaries and Other Employee Benefits		
Salaries	1,106,124,921	1,129,824,307
Other Employee Benefits	508,854,360	481,686,815
Increase in Provision- Defined Benefit Obligation	62,705,254	15,790,746
Increase in Provision - Leave	29,285,591	24,709,134
Total Salaries and Other Employee Benefits	1,706,970,126	1,652,011,002
Goods and Services		
Training of Staff	661,168	3,659,743
Board Members Fees	2,465,000	2,640,000
Missions / Training Abroad	-	2,089,502
Professional Fees	5,550,067	15,163,740
Office Expenses & Services	56,259,184	49,118,561
Rent	46,567,417	45,561,573
Utilities	37,545,496	34,691,648
Motor Vehicle Expenses	21,347,787	24,934,367
Advertising and Publications	6,026,742	5,791,492
Printing and Stationery	6,161,731	8,932,131
Excise Stamps	7,622,255	5,770,001
IT Expenses	65,674,947	55,691,065
Uniform and Protective Equipment	7,859,873	4,664,936
Conference Expenses	-	839,118
Contributions / Subscriptions to Organizations	7,391,352	6,317,190
Increase in Provision for Dismantling Cost	483,890	818,048
Total Goods and Services	271,616,909	266,683,115
Depreciation (Note 5)	101,748,193	103,259,154
Amortisation Expense (Note 6)	20,888,672	20,871,549
Depreciation and Amortisation Expense	122,636,865	124,130,703
Impairment of Property, Plant and Equipment (Note 21)	163,689	-
Loss on Disposal / Scrap of Assets (Note 21)	1,205,203	1,416,088
Finance Costs	12,112,812	11,038,010
Total Expenses	2,114,705,604	2,055,278,918
19. Finance Costs		
Bank Charges	12,112,812	11,038,010

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

20. Exchange Differences

A net loss on exchange amounting to Rs 589,835 has been recognised in surplus/deficit.

21. Disposal and Impairment of Assets

- Disposal**

Loss on disposal / scrap of assets comprise:

	Rs
Loss	
Computer Hardware	1,225,427
Dog	7,000
Motor Vehicles	6,200
	<u>1,238,627</u>
Gain on Furniture and Equipment	<u>(33,424)</u>
Net Loss on Disposal/ Scrap	<u><u>1,205,203</u></u>

- Impairment**

Impairment tests were carried out as at 30 June 2021 and it was noted that a floating pontoon with a net book value of Rs 213,689 used as a platform for boarding of boats and also serve as a protection against high swells will not be required as boats are no longer berthed at Landing Steps but moved to a more secure area at Quay E with existing stairs for boarding.

Upon disposal of the floating pontoon, the recoverable amount is expected to be Rs 50,000 resulting into an impairment loss of Rs 163,689. The loss has been expensed in the statement of financial performance.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

22. Related Party Transactions

The Authority regards the Government of Mauritius as its controlling party and discloses the following for the period under review in accordance with IPSAS 20 (Related Party Disclosures).

	30 JUNE 2021 Rs	30 JUNE 2020 Rs
(i) Grants Received from Government		
Grants for Capital Expenditure	208,905,336	255,545,608
Grants for Revenue Expenditure	1,918,000,000	1,889,900,000
	<u>2,126,905,336</u>	<u>2,145,445,608</u>

(ii) Compensation to Key Management Personnel

Short Term Benefits:		
Fees to Board Members	2,465,000	2,640,000
Management Personnel Compensation	54,643,334	55,559,615
Post-Employment Benefits Contribution	-	-
Termination Benefits	-	-
	<u>57,108,334</u>	<u>58,199,615</u>

As per provisions of the Act constituting the Authority, the Board members represent the interest of Stakeholders. However, the Board considers that such representation does not trigger any other related party transactions that would require any further disclosure.

23. Employee Benefits

	Rs	Rs
Retirement Benefit Obligation	3,503,015,657	2,389,585,416
Sick/Annual Leave	569,753,523	568,702,688
Total	<u>4,072,769,180</u>	<u>2,958,288,104</u>

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

23. Employee Benefits (Cont'd)

(i) Defined Benefit Pension Plan

The plan is a defined benefit arrangement for the employees and it is a funded plan. The assets of the funded plan are held independently and administered by the State Insurance Company of Mauritius Ltd.

	30 JUNE 2021 Rs	30 JUNE 2020 Rs
Amounts Recognised in Statement of Financial Position at end of year:		
Defined Benefit Obligation	5,556,429,327	4,500,590,124
Fair Value of Plan Assets	(2,053,413,670)	(2,111,004,708)
Liability Recognised in Statement of Financial Position at end of year	3,503,015,657	2,389,585,416

Amounts Recognised in Statement of Financial Performance:

Service Cost:

Current Service Cost	116,229,674	115,312,021
Past Service Cost	-	-
Employee Contributions	(46,399,985)	(49,105,343)
Fund Expenses	3,028,068	2,702,252
Net Interest Expense / (Revenue)	90,160,475	52,937,827
Charge to Income Statement	163,018,232	121,846,757

Remeasurement

Liability (Gain)/ Loss	1,080,152,010	1,025,583,740
Assets (Gain)/ Loss	(29,427,023)	(89,845,373)
Net Assets / Equity (NAE)	1,050,724,987	935,738,367
Total	1,213,743,219	1,057,585,124

Movements in Liability Recognised in Statement of Financial Position:

At start of year	2,389,585,416	1,438,056,303
Amount recognised in Income Statement	163,018,232	121,846,757
Contributions paid by Employer	(92,799,970)	(98,210,685)
Special Contribution made by Employer	(7,513,008)	(7,845,326)
Amount Recognised in Net Assets / Equity	1,050,724,987	935,738,367
At end of year	3,503,015,657	2,389,585,416

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

23. Employee Benefits (Cont'd)

	30 JUNE 2021 Rs	30 JUNE 2020 Rs
Reconciliation of the Present Value of Defined Benefit Obligation		
Present Value of Obligation at start of year	4,500,590,124	3,412,198,461
Current Service Cost	116,229,674	115,312,021
Interest Cost	164,271,540	124,545,244
Benefits Paid	(304,814,021)	(177,049,342)
Liability (Gain)/Loss	1,080,152,010	1,025,583,740
Present Value of Obligation at end of year	5,556,429,327	4,500,590,124

Reconciliation of Fair Value of Plan Assets

Fair Value of Plan Assets at start of year	2,111,004,708	1,974,142,158
Expected Return on Plan Assets	74,111,065	71,607,417
Employer Contributions	92,799,970	98,210,685
Employee Contributions	46,399,985	49,105,343
Special Contribution paid by Employer	7,513,008	7,845,326
Benefits Paid + Other Outgo	(307,842,089)	(179,751,594)
Asset Gain / (Loss)	29,427,023	89,845,373
Fair Value of Plan Assets at end of year	2,053,413,670	2,111,004,708

Distribution of Plan Assets at end of year

<u>Percentage of Assets at end of year</u>	2021	2020
Fixed Interest securities and cash	54.80%	61.70%
Loans	2.80%	3.00%
Local Equities	11.80%	10.10%
Overseas Bonds and Equities	30.10%	24.60%
Property	0.50%	0.60%
Total	100%	100%

Additional Disclosure on Assets issued or used by the Reporting Entity

	2021	2020
<u>Percentage of Assets at end of year</u>	%	%
Assets held in the Entity's own Financial Instruments	0	0
Property occupied by the Entity	0	0
Other Assets used by the Entity	0	0

Components of the amount recognised in Net Assets / Equity

Year	2021	2020
Currency	Rs	Rs
Asset experience gain / (loss) during the year	29,427,023	89,845,373
Liability experience gain / (loss) during the year	(1,080,152,010)	(1,025,583,740)
Year	2021-2022	
Expected Employer contributions	92,541,075	
Weighted average duration of defined benefit obligation	16 years	
(Calculated as a % change in Present Value of liabilities for a 1% change in discount rate)		

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021**23. Employee Benefits (Cont'd)**

The plan is exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	30 JUNE 2021	30 JUNE 2020
Discount Rate	5.00%	3.65%
Future Salary Increases	3.00%	2.40%
Future Pension Increases	2.00%	1.40%
Mortality before retirement	Nil	A6770 Ultimate Tables
Mortality in retirement	PA (90) Tables rated down by 2 Years	PA(90) Tables
Retirement Age	65 Years	

The discount rate is determined by reference to market yields on bonds.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligation would decrease by Rs 779.7 Million (increase by Rs 989.2 Million) if all other assumptions were held unchanged.
- If the expected salary growth would increase (decrease) by 100 basis points, the defined benefit obligation would increase by Rs 471.6 Million (decrease by Rs 402.6 Million) if all other assumptions were held unchanged.
- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 151.6 Million (decrease by Rs 151.4 Million) if all other assumptions were held unchanged.

In reality, one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

An actuarial valuation of the pension fund was carried out by SICOM Ltd as at 30 June 2017.

Approval was conveyed by the Ministry of Finance, Economic Planning and Development to finance any cash deficit to ensure continuity of payment of pension on a pay as you go basis.

(ii) Public Pension Defined Contribution Pension Scheme

The contribution of the MRA to the defined contribution pension scheme for the year ended 30 June 2021 is Rs 27,591,671 (Rs 25,059,563 for year ended 30 June 2020).

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

	30 JUNE 2021	30 JUNE 2020
24. Excise Stamps	Units	Units
Opening stock	14,465,745	32,874,307
Purchases	92,800,000	40,800,000
	107,265,745	73,674,307
Sales	(71,704,558)	(59,208,562)
Closing stock	35,561,187	14,465,745

25. Comparison of Budget with Actual

MRA presents its financial statements on an accrual basis and its expenditure budget on a modified cash basis, that is adjusted for accruals and prepayments. The original expenditure budget covers the period 1 July 2020 to 30 June 2021 and was approved by the National Assembly as a one-line budget.

- Recurrent Budget**

Actual amount includes an increase of Rs 62.7 Million in provision for retirement benefit obligation and an additional provision of Rs 29.3 Million for annual and sick leave.

The difference between revised recurrent expenditure budget and total actual amount excluding provision is 1% and there are no major variances as regards individual items of expenditure, except for the following items :

- (i) **Staff Costs**

Savings in Staff Costs is mainly due to Overtime and Extra duty not performed during the COVID-19 lockdown period.

- (ii) **Professional Fees**

Provision was made for payment of fees to legal counsels retained by MRA for Privy Council cases. However, due to COVID-19 pandemic, hearings could not take place as scheduled.

- (iii) **Utilities**

Savings is due to provision made for (a) upgrade of bandwidth to cater for staff working from home and (b) increase in volume of transactions and number of filers related to Self Employed Assistance Scheme (SEAS) and Government Wage Assistance Scheme (GWAS) exceeded actual costs.

- (iv) **Tobacco and Excise Stamps**

Actual amount represents cost of stamps sold out of stock. Purchases for the year were Rs 9,895,860.

- Capital Budget**

Actual expenditure is reconciled with budget as follows:

	Rs	Rs
Actual expenditure		182,500,500
Less expenditure not catered for in 2020/2021 budget:		
2019/2020 projects carried over to 2020/2021		(4,760,516)
		177,739,984
Add savings in 2020/2021:		
2020/2021 projects carried over to 2021/2022	143,842,610	
2020/2021 projects deferred to 2021/2022	31,469,004	
Savings on projects as costs incurred were less than budgeted	2,148,402	177,460,016
Revised budget for the year		355,200,000

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

	30 JUNE 2021 Rs	30 JUNE 2020 Rs
26. Revaluation of Assets		
Equipment	5,264,221	5,264,221
Motor Vehicles	13,585,695	14,994,995
IT Equipment and Software	60,621,913	64,317,419
	79,471,829	84,576,635

An amount of Rs 5,104,806 has been transferred to accumulated surplus upon scrap/disposal of assets.

27. Lease of Land**(a) Mauritius Ports Authority**

The New Custom House has been constructed on a portion of land of the extent of 1.51 hectares initially leased by the Mauritius Ports Authority (MPA) to MOFEPD. The leasehold rights over the land was subsequently transferred to the MRA effective as from 1 January 2012 up to 30 June 2023. The rental payable is as follows:

- (i) Rs 2,250,000 per annum for the period January 2012 to December 2016.
- (ii) Rs 2,812,500 per annum for the period January 2017 to December 2021.
- (iii) Rs 3,515,625 per annum for the period January 2022 to June 2023.

The lease may be renewed at the option of the MRA for three further periods of 20 years on such terms and conditions (including revision of rent) as may be agreed between MPA and MRA.

(b) Airports of Mauritius Co Ltd

A plot of land of 11,867 m² has been leased by the Airports of Mauritius Co Ltd (AML) to the MRA for the construction of an Integrated Government Clearance Centre (IGCC) at Plaisance Airport. The lease covers an initial period of 40 years as from 26 April 2018 and subject to renewal for a further period of 20 years on terms and conditions to be decided by the AML and agreed by the MRA. The monthly rental is Rs 148,337.50 plus VAT and payable as from date of start of operations and shall be revised and increased by 3% after each period of five years as from 26 April 2018.

28. Contingent Liability**(i) Claims**

The MRA has some pending legal cases. However, it is not practical to give a prudent estimate of their financial effects, uncertainties relating to the amount or timing of any outflow.

(ii) Bank Guarantee

As at 30 June 2021, the Mauritius Revenue Authority provided a guarantee of Rs 50,000 for Taxpayer Satisfaction Survey in favour of Gambling Regulatory Authority to meet licensing conditions as lottery organiser under the GRA Act 2007.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2021

29. Capital Commitments

MRA had capital commitments of Rs 361.2 Million at 30 June 2021 but not recognised in the financial statements.

30. Controlling Party

The Authority regards the Government of Mauritius as its controlling party.

31. Risk

- (i) Except where stated elsewhere, the carrying amounts of the Authority's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.
- (ii) Currency risk arises from purchase of goods and services which are denominated in foreign currencies and exposure is minimised by negotiating favourable exchange rates with the bank.
- (iii) Except for cash held at bank in current accounts and short term investment in Government of Mauritius Treasury Certificates (GMTC), the Authority does not have any other investment nor any loan commitments. However, the Authority operates a car loan scheme for its staff and money for that purpose is advanced by the Ministry of Finance , Economic Planning and Development for onward remittance to staff at a fixed rate of interest of 4%.

The GMTC may be redeemed at par before maturity after a holding period of 30 days and bears a fixed rate of interest.

Hence, the Authority is not exposed to interest rate risk.

- (iv) The Authority's credit risk is primarily attributable to its receivables. Management reviews all outstanding amounts at year end to determine doubtful receivables. Furthermore, loan advanced to staff for purchase of car is secured against a lien on the car and an additional guarantee for recovery against retiring benefits of the employee in case of default.
- (v) The Authority does not have significant liquidity risk. All funds come from the Government and cash is drawn on a monthly basis for recurrent expenditure and as and when required for capital expenditure. Forecast cash requirements are closely monitored and a target level of available cash is maintained to meet liquidity requirements.

32. Income Tax

The Authority is not liable to income tax.

18. SWOT ANALYSIS

18.1. MRA's Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

STRENGTHS

- A robust, secured and updated IT platform which enables taxpayers to easily meet their tax obligations
- Continuously embracing technology to widen the range of e-services to both internal and external stakeholders
- A well-defined and flattened organisational structure which has ebbed in more organisational efficiency and wiped off the bad reputation often associated with public institution
- A very good public image, reputation and public perception of the organisation (as per the regular surveys conducted by the MRA)
- Good networking with other government agencies, financial institutions, and other Revenue Authorities / Countries in the exchange of information and efficient data sharing
- Wide network of third party information
- MoUs with several institutions for effective collaboration and improved efficiency
- Good interactions with international organisations and with fellow tax administrations for greater cooperation, networking and increase in professional relations
- Increase number of virtual trainings and capacity building through our affiliation with ATAF, CATA, OECD, IMF, WCO, SADC, etc.
- Strong partnership with external stakeholders to obtain feedback and enhance quality of service
- Diversified organisation with a blend of young, dynamic, highly skilled and well-experienced & well-trained workforce versatile in various tax types
- A well-recognized organisation which has won many awards both on the local & international scenes
- Top five rating in the World Bank Ease of Paying Taxes out of some 190 countries
- Business Continuity Plan in place to enable smooth and on-going business operations
- Flexible organisation capable to easily shift to the 'Work-From-Home' mode when the need arises.
- Almost a cashless office with successful implementation of initiatives for promoting electronic payments
- Adaptable staff, system and organisational framework making the MRA capable of taking up new non tax related assignments within a short time span e.g. payment of SEAS & GWAS

WEAKNESSES

- Lack of succession planning in place for the transfer of knowledge and know-how from experienced staff to new ones, including members of the Management Team proceeding to retirement
- Rising number of tax assessments under appeal leading to soaring number of non-collectible debts each year
- Prosecution of taxpayers not yielding desired results, particularly, as a disincentive to tax evasion
- Lack of data analytics expertise for improving tax case and cargo selection
- IT Security Unit to look into IT Security issues not yet in place
- Delay in promoting our Cooperative Compliance strategy
- Getting in touch with the MRA continues to be challenging as per results of the Taxpayer Satisfaction Survey 2020
- Need to strike the right balance between control and trade facilitation impacts on any extension in cargo scanning at Ports
- Time Taken to determining objections to tax assessments still on the high side as per international benchmarks
- Adoption of Computer Assisted Audit Techniques in tax audit needs to be expedited

OPPORTUNITIES

- A re-engineering/re-structuring of the MRA and/or certain functions/departments to sustain with the modernisation and emerging trends in Tax Administration due to challenges in the World
- Implementation of E-invoicing with the aim of improving compliance and raising additional revenue
- Implementation of CEMS for online information about bets in casinos and gaming houses
- Exploring the possibility of using Artificial Intelligence and Machine Learning for improving efficiency
- Reviewing of certain job description to include qualifications in the field of IT/IS/Computer Science/Software Engineering, Mathematics/Statistics, Data Science, and Engineering, among others
- Re-inforcing the Tax Risk Management Unit with data experts, data scientists and statisticians for enhancing organisational output
- Automation of the Debt Recovery Module for proper monitoring of debt and expeditious recovery actions
- Implementation of virtual audit
- Implementation of Chat Box for addressing the FAQs on selected tax issues
- On-going development of our e-services platform to enhance efficiency and transparency in service delivery
- Conducting awareness campaigns for promoting record keeping by businesses
- Inauguration of the Integrated Customs Clearance Centre (ICCC) Building at the Airport in the forthcoming Financial Year aiming at increasing the volume of air cargo and updating services to all stakeholders in a one-stop-shop
- Implementation of National Single Window, in collaboration with other agencies, aiming at providing for a single trade platform for all import clearances
- Setting up of a Drugloo facility at the SSR International Airport for the prevention of drugs entering the country
- Automation of processes and promotion of cashless payment at the national level may facilitate tracking of tax evasion if the tax administration is IT efficient

THREATS

- Increasing use of advanced technology and sophisticated schemes by unscrupulous persons to beat the tax authority and Customs surveillance
- High dependency on IT support for core business processes both at Customs and tax operations. Any malware (or ransom ware) attack may seriously threaten the daily conduct of business at the MRA
- Increasing pressures on the tax base every year, especially during budgetary consultations, from the taxpayers/Trade Unions/NGOs for more tax exemptions and concessions
- Budgetary constraints for implementation of planned modernization projects
- Resistance to change impacting on institutional flexibility which is a pre-requisite for continuous improvement in efficiency
- New techniques being used to launder money and smuggle drugs into the country
- MRA Officers becoming tempted by corrupt practices for personal gains. Hence, the need for continuous vigilance
- Impact of digitalisation and automation requiring continuous upgrading of skills of our staff
- Online activities, especially with non-residents, replacing some traditional domestic transactions and impacting on our tax base
- Negative impact of COVID-19 on economic activities and closure of our borders on revenue collection
- Difficulties to liquidate collectible revenue debts especially with the growing economic uncertainty resulting from COVID-19
- Rising tax relief measures are reducing tax liability of taxpayers
- Termination or request of for re-negotiation of DTA's and other agreements by treaty partners
- Compliant taxpayers influenced by non-compliant ones casting doubt on the integrity of our tax system
- Ensuring that developments at the level of OECD, BEPS and global minimum tax do not severely impact on our global business sector and tax receipts

19. PERFORMANCE OF MRA FOR THE PERIOD JULY 2020 TO JUNE 2021

Objectives	Indicators	Targets					Achievements
1. Easing Tax Compliance	• Tax revenue collected	Tax	Budget Estimate (Rs m)		Tax		Actual (Rs m)
		Corporate Tax	10,375		Corporate Tax		11,776
		Income Tax	11,400		Income Tax		11,560
		VAT	28,000		VAT		28,579
		Customs Duties	1,140		Customs Duties		1,180
		Excise Duties	18,155		Excise Duties		18,680
		Gambling	1,715		Gambling		1,774
		TDS	1,760		TDS		1,821
		Passenger fee	30		Passenger fee		24
		Others	2,668		Others		2,933
		Total to Consolidated Fund	75,243		Total to Consolidated Fund		78,327
					Collections of NPF, NSF etc...		11,053
				Total Collections		89,341	
AUDIT, INTELLIGENCE, INVESTIGATIONS AND ASSESSMENTS							
• Assessments raised	No target set, position for FY 2019/20	Number of Assessments	Tax Yield (Rs million)	Tax	Number of Assessments	Tax Yield (Rs million)	
	Total	3,378	1,759	Total	4,770	7,600	
• Number of cases in which investigations completed	150			343			
• Number of joint investigations by FID & Customs	50			41			
• Number of cases in which assessments are agreed / compounded	100			229			

Objectives	Indicators	Targets	Achievements
1. Easing Tax Compliance (Cont'd)	• Average additional tax demand created per fiscal investigation	Rs 2.0 million To Rs 2.5 million	Rs 1.19 million
	• Number of operators visited by Flying Squad	200	13
	• Number of cases identified for investigation following department's intelligence work	150	149
	• Number of intelligence visits conducted	500	73
	• Number of cases referred to LSD for prosecution	20	28
	• Number of cases referred to FIU/ICAC	10	18
	• Percentage number of cases where business audit is completed within 5 months of its beginning to the total no. of audits completed	60% - MSTD	46.1% - MSTD
	• Percentage number of cases where business audit is completed within 9 months of its beginning to the total no. of audits completed	100% - MSTD	87.8% - MSTD
	COLLECTION OF THIRD PARTY INFORMATION, DEBT COLLECTION AND DISPUTE RESOLUTION		
	• Number of visits for widening of tax base	75	179
	• Number of items of information placed on system	200,000	255,050
	• Number of sources from which information is to be collected	2,600	2,466
	• Number of new taxpayers as a result of information matching	5,000	14,752
	• Arrears collected	N/A	Rs 1,720 million
	• Percentage of total amount of old collectible debt collected to total collectible debt at the start of the year	20%	8%
	• Number of Objection cases to be determined	• First two months: 25% • Third Months: 25% • Fourth Month: 50%	• 38% • 56% • 6%
	Alternate Tax Dispute Resolution Panel:		
	• Number of cases where agreement reached • Amount of tax dispute resolved	N/A	• 19 • Rs 398 million
	Expeditious Dispute Resolution of Tax:		
	• Number of cases where agreement reached • Amount of tax dispute resolved	N/A	• 20 • Rs 60.5 million

Objectives	Indicators	Targets	Achievements
2. Promoting Taxpayer Education, Communication & Facilitation	TAXPAYER REGISTRATION, E-FILING AND E-PAYMENT, REFUND AND REPAYMENT		
	Average number of days for registering taxpayers	3 days	- Companies –Auto-registration from CBRD, including VAT - 1 day - Individuals –Auto registration on submission of monthly PAYE/Contribution return - 1 day - Taxpayer applying to MRA - Individual: 2 days & VAT: 2 days
	Percentage of returns filed electronically to total number of returns	100%	99.9%
	Percentage of e-payment made	N/A	97%
	Time taken to effect refunds of Income Tax- Individuals	N/A	94% refunds made within 10 days
	Time taken to effect VAT Repayment	N/A	MSTD 67% within less than 10 days 85% within less than 20 days LTD 97% within less than 10 days 99% within less than 20 days
	EDUCATION, FACILITATION AND FEEDBACK		
	Number of educational seminars/workshops conducted	50	49
	Number of taxpayer information leaflets/tax bulletins issued, published & distributed	30	34
	Number of times MRA Website & Intranet is updated	As & when needed	Website: 1,035 & Intranet: 534
	- Number of programmes conducted - TV - Radio	6 6	12 23
	Time within which tax payers calling at office are served (average waiting time)	15 minutes	11 minutes 47 seconds
	Conducting Online Taxpayer Satisfaction Survey	Survey to be conducted along with the return filing & report to be submitted within 3 months	Survey completed and report presented to Board & Management Team
	SUPPORT TO GOVERNMENT: PAYMENT OF GWAS, SEAS, NITA AND SPA		
	Government Wage Assistance Scheme: - Amount Paid - Employers Paid (Distinct) - Employees benefiting (Distinct)	N/A	- Rs 8,847 million 12,725 221,730
	Self Employed Assistance Scheme: - Amount Paid - One off grant – Rs 10,000 - Number of beneficiaries (Distinct)	N/A	- Rs 2,003 million - Rs 2,300 million 231,052
	Negative Income Tax & Special Allowance Scheme: - Amount Paid - Number of beneficiaries (Distinct)	N/A	- Rs 515 million 53,260

Objectives	Indicators	Targets			Achievements		
3. Facilitating Trade and Ensuring Border and Society Protection	TRADE FACILITATION						
	• Percentage of declaration subjected to physical examination – excluding compulsory inspections	7.5%			5.46%		
	• Dwell time for cargo	Channels	Sea	Air	Channels	Sea	Air
		Green	30 mins	30 mins	Green	32.71 mins	32.57 mins
		Yellow	3 hrs	40 mins	Yellow	3.78 hrs	3.33 mins
		Red	15 hrs	12 hrs	Red	13.40 hrs	8.33 hrs
	• Maximum time taken to issue a (Binding) tariff ruling	2 days			2 days		
	• Export clearance time	Sea: 2 minutes & Air: 10 minutes			Sea:1.28 minutes & Air: 0.98 minutes		
	BORDER PROTECTION						
	• Contraband Seizures	• Drugs - 25 cases • Other contraband – 50 cases • Value of all contraband seizures – Rs 80 million			• Drugs – 43 cases • Other contraband – 25 cases • Value of all contraband seizures – Rs 335.3 million		
	• Implementation of Body Worn Cameras & Body Scanner	December 2020			Completed		
	• Narcotics seizure	N/A				Weight / Qty	Value (Rs)
					Heroin	15,257.81	228,867,150
					Hashish	57.61	172,830
					Cannabis	378.58	191,388
Cannabis Seeds					61 units	6,100	
Cocaine					2,558.74	38,381,100	
Psychotropic Substances					6(tabs)	9,000	
Synthetic Cannabinoids					4,298.11	64,451,100	
Total		332,078,668					

Objectives	Indicators	Targets	Achievements
3. Facilitating Trade and Ensuring Border and Society Protection (Cont'd)	ENFORCEMENT		
	• Total number of Customs Offence Reports(CORs) raised	200	101
	• Amount of revenue raised in CORs (duties, taxes & penalties)	Rs 5 million	Rs 2.4 million
	• Amount of duties collected from CORs raised (duties, taxes & penalties)	Rs 5 million	Rs 3.0 million
	• Total number of claims raised	750	6,396
	• Amount of revenue raised in claims	Rs 100 million	Rs 110.1
	• Amount of revenue collected from claims raised	Rs 80 million	Rs 67.4 million
	• Total number of post clearance audits during the year	100	77
	• Duties and taxes raised as a result of value upliftments	Rs 20 million	Rs 28.9 million
	• Number of IPR Suspended Clearance	360	703
	• Number of excise offences detected	10	1
	• Number of control visits of excise operators	250	248
	• Number of e-Auction sales held	36	34
	• Implementation of Electronic Simplified Customs Assessment form	December 2020	Completed

Objectives	Indicators	Targets	Achievements
4. Strengthening Good Governance and Improving Corporate Image	MANAGING INTEGRITY		
	• Number of declaration of assets verified and reports produced	50	69
	• Number of cases of complaints/allegations where enquiries initiated	All	28
	• Number of investigations completed	25	29
	• Number of cases where disciplinary, remedial actions or cases referred to Police/ ICAC recommended	All	4
	• Number of Integrity Checks conducted on new recruits, officers selected for promotion	All	37
	• Conducting Integrity Perception Survey	March/April 2021	Completed
	• Interacting with other institutions/tax administrations to share integrity management experiences	On-going	On-going (interacted with ICAC ,WCO & other International Customs Agencies)
	• Conducting Vigilance activities	4	3 Completed
	AUDIT OF SYSTEMS AND PROCESSES		
	• Preparing & implementing Annual Audit Plan using a risk based methodology	September 2020	Completed
	• Number of system audits	10	• 6 audits completed • 3 in progress
	• Number of Transaction audits in main areas of Revenue Systems	18	• 18 completed • 4 in progress
	• Number of follow up exercise	5	• 2 Completed • 2 in progress
	• Board & Sub-Committee Evaluations	June 2021	Completed

Objectives	Indicators	Targets	Achievements
5. Developing People, Processes and Technology	MODERNISING IT		
	• Tender and Implementation of e-Invoicing System	June 2021 Cover specific segments as pilot	90% Completed- Feasibility study completed and implementation will follow KPI 2021/22
	• Implementation of Contribution Sociale Generalise (CSG)	September 2020	100% Completed
	• Maintenance of Contributions and PRGF Projects	June 2021	90% Completed
	• Technical upgrade of ITAS	June 2021	100% Completed - Prerequisite tasks: SAP Solution Manager technical upgrade completed. Technical upgrade of S4/HANA 1610 to 2020
	DEVELOPING PROCESSES & TECHNOLOGY		
	• Finalization of Performance Indicators and targets / benchmarks for different departments in MRA	September 2020	Completed
	• Maintenance & Sustainability of ISO Certification • Monitoring the quality audits • Audit of Customer Services	On-going	All activities earmarked for the Financial Year in respect of ISO projects have been considered and completed
	• Monitoring performance of different departments against set targets/benchmarks	Monthly	Monthly
	• Implementation of Taxpayer space (e -Tax account)	A fully functional Front-End for online communication and correspondence	• 80% Completed • E-FITA : completed • Other work initiated and is in progress
	• Implementation of Behavioural Insights	December 2020	100% Completed - Installation and Configuration of SAP Behavioural Insight in production system, Training to super users, Access and Go Live - Completed
	DEVELOPING PEOPLE		
	• Number of Internal Training Programmes conducted including Customer Care	60	63
	• Percentage of staff who completed Induction Training	100%	Completed
	• Number of Man Days provided	10,000	13,447
	• Updating training needs analysis based on Performance Appraisal exercise	December 2020	Completed
	• Recruitment Plan (Staffing Requirements)	Monthly	Submitted on a monthly basis and discussed during management meeting
	• Percentage of posts vacant against total posts	4%	7.2%, excluding posts agreed not to be filled shortly otherwise the nominal rate is 15.7%

Objectives	Indicators	Targets	Achievements
5. Developing People, Processes and Technology (cont'd)	Time Taken (months) to fill in vacancies after advertisement	- Grade I & II – 4 months - Others – 2 months	The target to fill the vacancies is as far as possible being met. In cases where waiting lists are still valid, appointment is being made as soon as a vacant post arises.
	Rate of staff turnover	2%	0.07%
	Conducting Performance Appraisal (PA) Exercise	Every 6 months	Completed
	Safety & Health		
	Number of Health & Safety Committees held	6	6
	Number of health/nutrition promotion programme for whole workforce	3	6
	Number of emergency simulations organised to test the MRA evacuation procedures	3	4
	Number of sensitisation session on the prevention of pandemic diseases or any other disease and/or disaster	3	7
	Number of informative HR circular communicated to staff & updates posted on the Intranet	15	27
	Employee Assistance Programme		
	Number of sensitization programmes to be conducted	5	7
	Number of counselling sessions to be conducted	10	10

20. IMPLEMENTATION PLAN -DIRECTOR OF AUDIT (DOA) REPORT

20.1. Customs

Issues	Proposed Action Plan	Status of Actions taken/ Implementation Date
Arrears of Revenue –Deficient Recovery Procedures		
Low Level of Collectible Debts over the Past Five Years The total number of cases of debts increased from 444 as at end of the previous year to 748 cases in financial year 2019-20, that is an increase of 68 per cent	The amount of arrears that related to the 748 cases amounted to Rs 542.15 million, out of which Rs 20.56 million are classified as collectible debts. The non-collectible amount is not under the control of MRA Customs as they are at the level of Courts, ARC and Police. Appropriate actions, follow up and regular exchange being made with the relevant institutions to ensure matters are being expedited The confinement period due to the COVID outbreak, to some extent, have affected the amount of debt contracted, collection and disputed amount due to the low level of activity and serious disruption in the supply chain.	Action On-going
Cases of lengthy enquiry and processing time	Cases at Court: These cases are outside the control of MRA Customs but follow up being made Cases at ARC: MRA Customs is doing follow-up on these cases on a regular basis. Cases at LSD: For cases at ARC & OADRD – they are being monitored on CMS and actions are taken in an effective and efficient manner. Cases of lengthy enquiry and processing at FID & LSD: Quarterly returns are being provided by LSD for all cases pending at their end. Cases at the level of Police: Meeting held between MRA and the Commissioner of Police in October 2020 to discuss this issue. Updates from Police are now being received on regular basis.	Action On-going

Issues	Proposed Action Plan	Status of Actions taken/ Implementation Date
Significant amount of arrears written off/adjusted/to be written off A total amount of some Rs 7.7 million relating to 10 cases was written off in 2019-20. The inordinate delay in taking appropriate action along with insufficient evidence to proceed with a prosecution resulted in a loss of revenue for Customs and Government. (MTK & Yacht Cases)	Section 17 of the MRA Act makes provision for write off of irrecoverable debts upon comments of the Director, Internal Audit Division and the approval of the MRA Board. Investigation into an alleged offence has to follow a set of procedures such as taking of statements, corroborating the elements therein so that there is sufficient evidence to ensure a “realistic prospect of a conviction” against each suspect on each charge. Departmental Instruction 33 of 2019 already clearly makes provision for the need to raise COR in a high quality of standards within the spirit of the Customs Legislations and ensure that the evidence at hand can withstand trial in a Court of Law.	Action On-going
Significant amount of arrears from companies under receivership Arrears of revenue included debts totalling Rs 134.9 million from two companies under receivership	Status of receivership has been requested from Receiver Manager for these cases. Continuous follow up are being made with receiver manager for cases under receivership for the recovery of the underpayment.	Action On-going
Customs Offence Reports – Long Outstanding cases		
Long Outstanding unsettled CORs An age analysis of the CORs showed that in 43 of the 85 unsettled cases, representing arrears of some Rs 128.9 million (54 per cent by value of total unsettled CORs), the CORs were raised more than five years ago. It included 11 CORs, with arrears totalling some Rs 22.9 million which were raised more than 10 years ago.	2 cases amounting to Rs 2,000 have been write-off by the MRA Board on 26.08.2020; 1 case amounting to Rs 5,354, accused was fined at court; 4 cases amounting to Rs 215,386 is in the process for write-off; The remaining 36 cases amounting to Rs 128,724,873 are at police, court or under receivership.	Already adjusted Already adjusted Already adjusted Outside the control of MRA Customs, however, regular follow ups being made with Police & Court

Issues	Proposed Action Plan	Status of Actions taken/ Implementation Date
Insufficient evidence to raise COR As of 30 June 2020, procedures for write off had been initiated for 11 CORs involving some Rs 99.2 million. It included an amount of some Rs 98.7 million relating to one COR raised in 2015 for which the Independent Tax Panel concluded that there was no prima facie evidence of fraud and as such authorisation to raise a claim was not granted against the company. Furthermore, LSD advised no further action in this case.	Appropriate actions were taken for the one COR raised in 2015 for Rs 98.7 million and approval obtained for write off of the case As regards the other CORs, work in progress	Already adjusted On-going
Port Surveillance and Inspection – Inadequate CCTV Coverage and Under-utilization of Drones		
Delay in installation of CCTV cameras by Mauritius Ports Authority (MPA)	CCTV project is being led by MPA. MRA Customs has no control over its implementation.	Outside the control of MRA Customs, however, regular follow ups being made with MPA
No agreement between the MRA and Cargo Handling Corporation Limited (CHCL)	Memorandum of Understanding with CHCL has already been drafted and is expected to be signed by July 2021.	July 2021
Inadequate control and monitoring of CCTV live images in Customs CCTV Control Room	Increasing too much the quantity of screens on rotation may affect the quality of images. MRA has selected images (based on importance) and has redefined the rotational model so as to ensure that the whole of MPT and MCT Terminals are covered in a maximum of 120 seconds. A multi-functional control room is being put in place to enable the converging of all live footages at a single point and track abnormal activities quickly and act spontaneously	Implemented Second Semester 2021

Issues	Proposed Action Plan	Status of Actions taken/ Implementation Date
Under-utilisation of drones	Drones are used as and when required based on risk profiles and intelligence. For instance, during surveillance at high seas, drone is only used when targets are at view. Moreover, using the drones routinely with predetermined routes will only hamper the surveillance exercise and make it predictable to the smugglers/traffickers. Thus, a plan for use of drones cannot be devised. Training mechanism has been devised and two batches of Customs Officers (CO) trained in the first instance. On-going training for CO for effective handling and optimum use of drones	On-going

20.2. Other Taxes

Issues	Proposed Action Plan	Status of Actions taken/ Implementation Date
Arrears of Revenue - PAYE and TDS		
Arrears of Revenue in respect of PAYE as of 30 June 2020 have increased by some 92 per cent compared to the end of the previous financial year. Some 82 per cent of the increases were in relation to Ministries and Departments. These PAYE arrears are not real arrears and have arisen mainly due to unallocated payments. The arrears of PAYE and TDS due by Ministries and Departments amounting to Rs 372 million are not real arrears, and have arisen mainly due to unallocated payments.	MRA is liaising with the office of the Accountant General to ensure that unallocated payments are allocated. A clearing unit has been set up at the level of the MRA to address the issue of unallocated payments in all relevant taxes.	Action On-going

Collectible Debts - Credit Balances

The total of credit balances represented some 49 per cent of the Collectible Debts of Rs 8.8 billion reported as a gross figure as of 30 June 2020. 44 per cent of these balances were over one year old. Actions taken to clear those credit balances have not been successful.	A clearing unit has been set up at the level of the MRA to address the issue of unallocated payments in all relevant taxes. Significant progressed made with unallocated payments as at June 2021. Work is ongoing with continuous follow up being made with the concerned Ministries and Accountant General	Action On-going
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Debt Recovery

The debt recovered during the year could not be readily traced to the different enforcement actions undertaken, and hence, their effectiveness could not be assessed.	The Debt Management Module in the MRA computer system is presently under review by the IS Department of the MRA and improvement are expected.	June 2022
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Arrears Include those for Companies in Process of Winding up or Defunct

A scrutiny of the Arrears of Social Contributions listings as at 30 June 2020 revealed that they included certain companies/employers which were defunct or in the process of winding. Being given the current status of these companies, the probability of recovery of these debts is remote.	MRA will provide to the National Pensions Fund with additional information to enable the latter to determine which debts are doubtful and make the necessary provision in their financial statements.	June 2022
The MRA should, along with the Debtors List for Social Contributions, also provide to the National Pensions Fund, information on the results of its enforcement actions to enable the latter to determine which debts are doubtful and make the necessary provision in their financial statements.	The Debt Management Module in the MRA computer system is presently under review by the IS Department of the MRA and improvement are expected.	June 2022

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GLOSSARY

APS	Advance Payment System
ARC	Assessment Review Committee
ATAF	African Tax Administration Forum
ATDR	Alternative Tax Dispute Resolution
BEPS	Base Erosion and Profit Shifting
BOE	Bill of Entry
CANS	Customs Anti-Narcotics Section
CATA	Commonwealth Association of Tax Administrators
CBRD	Corporate and Business Registration Department
CCTV	Closed-Circuit Television
CEMS	Central Electronic Monitoring System
CH	Custom House
CHCL	Cargo Handling Corporation Limited
CIF	Cost Insurance Freight
CMAA	Customs Mutual Assistance Agreement
CMS	Customs Management System
COR	Customs Offence Report
CSFT	Customer Service Feedback Terminal
CSG	Contribution Sociale Généralisée
CSP	Citizen Support Portal
CSR	Corporate Social Responsibility
EC	Ehram Court
FATF	Financial Action Task Force
FITA	Free Income Tax Assistance
FY	Financial Year
GWAS	Government Wage Assistance Scheme
HNWI	High Networth Individual
HRDC	Human Resource Development Council
ICAC	Independent Commission Against Corruption
IET	Income Tax Threshold
IMF	International Monetary Fund
ISO	International Organization for Standardization

ITAS	Integrated Tax Administration Solution
KPI	Key Performance Indicators
MCT	Mauritius Container Terminal
MEXA	Mauritius Export Association
MoFEPD	Ministry of Finance Economic Planning and Development
MPA	Mauritius Ports Authority
MPT	Mauritius Ports Terminal
NITA	Negative Income Tax Allowance
NPF	National Pension Fund
NSF	National Savings Fund
OECD	Organisation for Economic Co-operation and Development
PAYE	Pay As You Earn
PCR	Polymerase Chain Reaction
PGRF	Portable Retirement Gratuity Fund
PIO	Passport and Immigration Office
PPE	Personal Protective Equipment
SADC	Southern African Development Community
SAP	Systems, Applications, and Products
SEAS	Self-Employed Assistance Scheme
SME	Small and Medium Enterprise
SPA	Special Allowance
SSRIA	Sir Seewoosagur Ramgoolam International Airport
TASS	Tax Arrears Settlement Scheme
TDS	Tax Deduction at Source
TRC	Tax Residence Certificate
TSS	Taxpayer Satisfaction Survey
VAT	Value Added Tax
WCO	World Customs Organisation

While every effort has been made to ensure that the information in this Annual Report is correct, the MRA accepts no legal responsibility for any shortcoming, defect, inaccuracy, error or omission.

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Mauritius Revenue Authority

Ehram Court, Cnr Mgr. Gonin & Sir Virgil Naz Streets,
Port Louis, Mauritius

Tel: +230 207 6000

Fax: +230 211 8099

Email: headoffice@mra.mu

Website: www.mra.mu