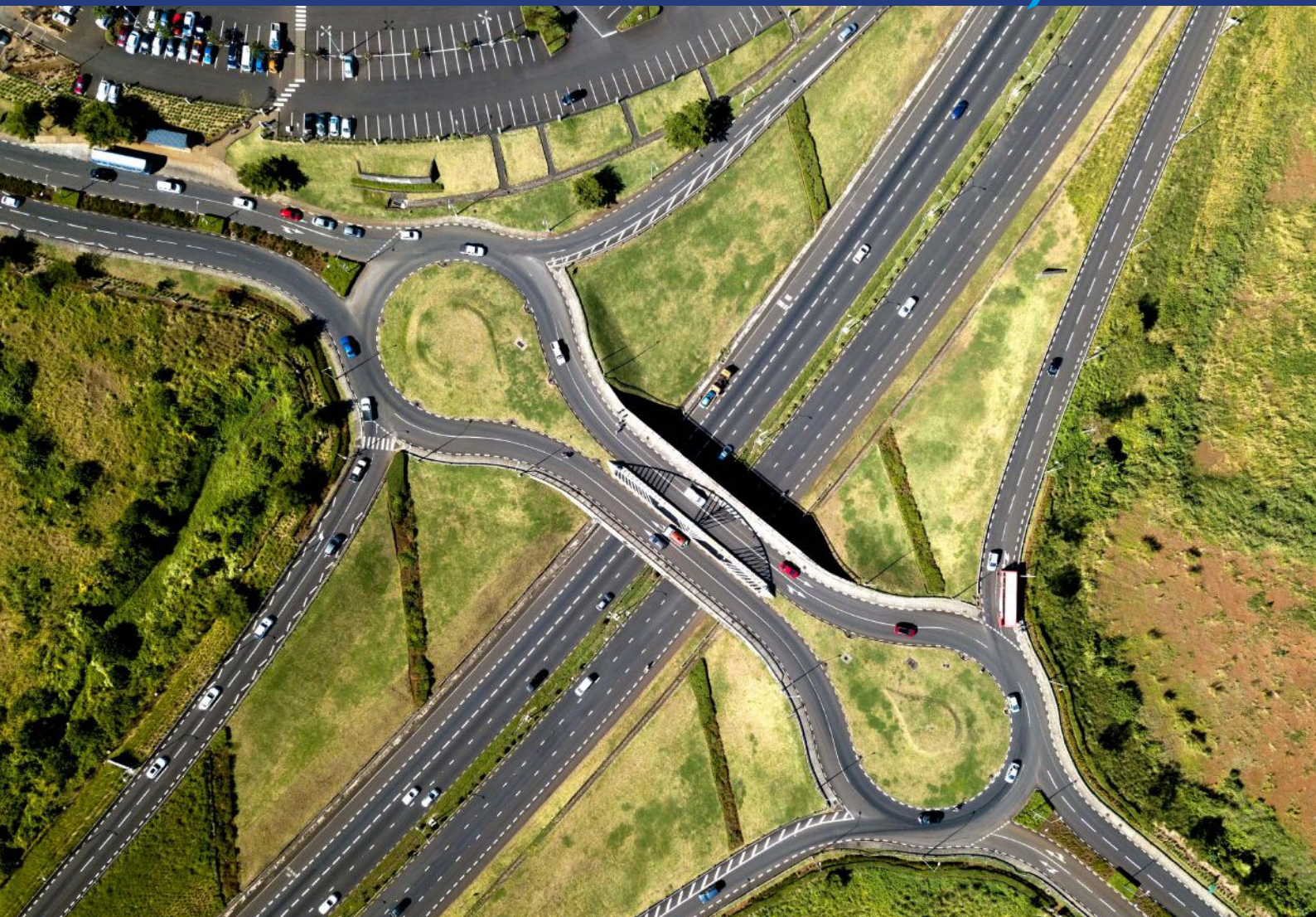


INTEGRATED ANNUAL REPORT

2021/22



*Tax Revenues for Growth
and Prosperity*



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.

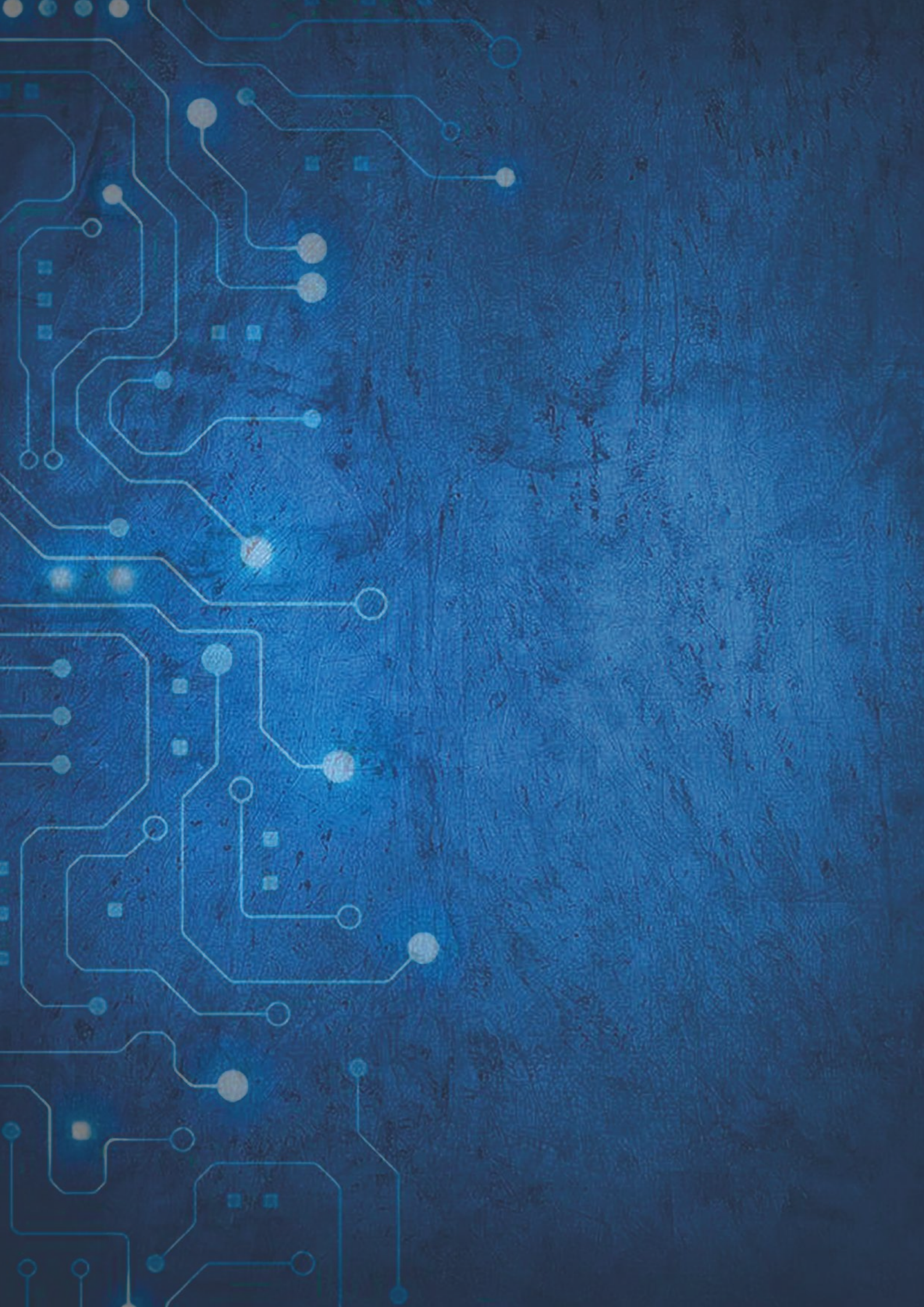
Responsiveness – MRA endeavours to provide a prompt, efficient, effective and quality service to taxpayers, stakeholders and the public at large in an effort to exceed their expectations.

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.

CONTENTS

CHAPTERS	<i>Chairperson's Foreword</i>	3
	<i>Director-General's Review</i>	5
	<i>Who we are (Role/ Mission/ Vision/ Strategic Focus)</i>	8
	<i>Taxpayer's Charter</i>	9
	<i>MRA Quality Management System</i>	10
	<i>Integrity Policy Statement</i>	11
	<i>MRA Gender Statement</i>	12
1	The MRA at a Glance – 2021/22	13
2	Our Integrated Business Model & Environment scanning	14
3	Legislative, Policy Principles and Standards Framework	17
4	Our Value Creation Process	18
5	Our Stakeholders	20
6	Organisational Structure	21
7	MRA Board Members' Profile	27
8	MRA Management Team's Profile	29
9	Strategic Outcome: Corporate Governance	35
10	Strategic Outcome: Revenue collections & income distribution	54
11	Strategic Outcome: Easing tax compliance	66
12	Strategic Outcome: Facilitating trade and reinforcing border surveillance	84
13	Strategic Outcome: Taxpayer education, communication & facilitation	104
14	Strategic Outcome: Human resource management	120
15	Strategic Outcome: Enhancing our business processes & information systems	136
16	Main tax changes 2022	140
17	Financial statements	153
18	SWOT Analysis	190
19	Performance of the MRA for the period July 2021 to June 2022	192
20	Implementation plan – Director of Audit (DOA) Report	200
	<i>List of Charts</i>	204
	<i>List of Tables</i>	205
	<i>Glossary</i>	206



CHAIRPERSON'S FOREWORD

On behalf of the MRA Board, I am pleased to present the Integrated Annual Report of the MRA for the period 1 July 2021 to 30 June 2022.

Over the last two years, our country has experienced some difficult challenges linked to the COVID-19 pandemic. The closure of our borders, increase in freight and price of imported goods, rise in petroleum prices and the war in Ukraine have all badly affected the Mauritian economy which was still recovering from two successive COVID-19 lock downs in March 2020 and 2021. Together, we have all badly risen to these challenges and I am convinced that the worst is now behind us.

As Chairperson of the MRA Board, it is a matter of pride and immense pleasure that the MRA has been one of the key institutions assisting Government in handling the COVID-19 pandemic. During the lock downs, Government has relied on the MRA to implement the SEAS and GWAS for a speedy disbursement of funds to the needy. After the lock downs, various support mechanisms to ensure continuation of business activities, to secure employment and support low income earners were initiated under the aegis of the MRA. In this regard, the Authority has implemented the payment of the salary compensation in economically sensitive areas such as SMEs or export-oriented sectors and the subsidy on essential products to importers, wholesalers and retailers. It has also continued to operate the SEAS and the GWAS in the tourism industry after the opening of the borders and until December 2021 whilst the Negative Income Tax and the Special Allowance Scheme are now part of its normal operations.

Today, there are clear signs of economic recovery. The economic growth rate for the year 2022 is projected at 7.2%, that is, almost twice the growth rate of 2021. At the level of the MRA, the unprecedented growth in revenue collections of 26% in FY 2021/22 over the preceding year and the increase in VAT collections from the accommodation sector from Rs 812 million in FY 2020/21 to Rs 3,224 million in FY 2021/22 are major signs of recovery. I would like to stress on the importance of the financial support, through the MRA and the MIC, which has made this recovery possible. In fact, some key sectors of the Mauritian economy, which are engines of growth and employment, such as SMEs, export oriented enterprise and tourism have been supported financially, during the critical COVID-19 pandemic.

Over the last five years, the role of the MRA has evolved so much so that it is now a collector of revenues, a trade and business facilitator, a protector of our borders from entry of illicit substances and, recently, a distributor of financial support to the needy and critically challenged sectors. These functions are not mutually exclusive. The MRA needs to maximise revenue collections through increased efficiency in order to be able to generate financial resources so that the underprivileged segments of the Mauritian society can be better supported. I am delighted that the latter function has been extended to the MRA on efficiency grounds. Having toiled all year round to bring much needed revenues for the State, I am



also convinced that MRA Officers will exercise utmost due diligence when distributing such revenues in the form of financial assistance to the needy under the various schemes in place.

At the end of every financial year, the MRA Board is apprised of the performance of the organisation in respect of several key performance indicators. The Board has taken note of the reversal to a positive (record) growth in revenues, tax assessments getting back on track after two difficult years, debt collections rising by almost one billion rupees compared to last year and the maintenance of expeditious refunds in income tax and VAT as well as the competitive dwell-time for cargo. With economic recovery, the MRA Board expects that these KPIs will pursue their improving trends for the benefit of MRA stakeholders.

In the next financial year, the MRA will have to implement the Social Contribution (CSG) Income Allowance which aims at paying some 350,000 persons earning less than Rs 50,000 in a month, a monthly allowance of Rs 1,000 and the Prime a l'Emploi to promote the enlistment of some 10,000 unemployed men and women through a State contribution of Rs 15,000 monthly. At the same time, next year, we are expecting another bumper growth in MRA revenue collections of 18.7 % to reach Rs 126 billion. In terms of project implementation, the e-invoicing project and the Integrated Single Window at Customs will be at full swing and need MRA's focus and attention.

Together, the MRA Board, the Director General, the MRA Management and all MRA Staff, have to rise to these new challenges in the same manner and with the same vigour and efficiency that we have shown since the coming into operation of the organisation in 2006. I am convinced that we have all the ingredients to make the FY 2022/23 another successful year in the short history of the MRA.

I would like to thank my colleagues on the MRA Board, the Director General of the MRA and his Management Team and staff for the leadership and hard work during the FY 2021/22. I would also assure the whole MRA Team of the full support of the MRA Board in the implementation of the various assignments from Government that aim at making Mauritius an even better place to live – for now and for our future generation.



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

Chairperson

DIRECTOR- GENERAL'S REVIEW

It is an honour for me to present the 15th Annual Report of the MRA for the financial year ended 30 June 2022. I am aware that the performance of the MRA in the last financial year is eagerly awaited by our stakeholders to gauge the extent of economic recovery through some of our key indicators, in particular, revenue collections. In fact, at the MRA we are privileged to receive tax and customs data, almost in real time, which reflect, to a large extent, the buoyancy in business activities, sectorial performance and macro-economic aggregates amongst others. For instance, the revenue collections under different revenue heads give a strong indication of trends in consumption, business profitability, individual earnings, trading activities, international trade, tourist arrivals etc.

In FY 2021/22, we have collected a total of Rs 112.6 billion, of which Rs 106.5 billion was remitted to the Consolidated Fund. The collections marked a major milestone for the MRA as we have exceeded the Rs 100 billion revenue threshold for the first time. In fact, we are today collecting three times more revenues than when we started in FY 2006/07, that is, 16 years back, giving an average annual increase of slightly more than 20%. Of course, this growth rate is propelled by some new taxes which we have also started collecting during this short journey, but the achievement is still remarkable and has demanded substantial efforts from all quarters at the MRA.

Another unprecedented achievement in FY 2021/22 was the 26% increase in collections compared to the preceding year. This revenue growth has topped our previous record growth rate of 23% achieved in FY 2007/08.

Our revenue figures also enable us to assess the effectiveness of measures implemented by the Government during the COVID-19 pandemic period. The SEAS and GWAS financial support schemes have ensured that jobs are secured and consumption is not deterred as reflected in the substantial rise in personal income tax (+21%) and VAT (+34%) receipts. The various Support Schemes of Government have also ensured that corporate businesses have emerged strongly from the pandemic and contributed to corporate tax receipts with a 39% growth in self-assessment collections and a 25% growth in advance payment of tax. The sharp increase in the CSG collections, in spite of lower rates being paid by low and middle income earners, has generated additional funds for an increase in pension payments as announced in the recent 2022/23 Budget Speech. Since the opening of our borders, the tourism sector, which benefited from strong financial support from the MIC to stay afloat, has generated VAT receipts of almost 80% of its pre-pandemic level which is indeed very promising going forward.

I am also comforted to report that the MRA, whilst continuing to give a helping hand to Government to cope with the pandemic, has also resumed normal service in almost all its operations and the results have been encouraging. In terms of assessments raised, we are close to the usual Rs 7 billion threshold of the pre-pandemic years whilst our debt collection has increased by roughly one billion rupees compared to last year to reach Rs 2.6 billion. We will continue to monitor our tax debts and promote the tax incentive schemes announced in the 2022/23 Budget Speech so as to improve on our FY 2021/22 performance in the next financial year.



Our Management Information System which has been set up back in 2006 and continuously enhanced over the years enables us to track our performance in terms of hundreds of indicators. Most of the essential indicators, their targets and achievements during the year are set out in the last Chapter of this Annual Report. For the financial year ended 30 June 2022, some of our key achievements were as follows:

- Our e-filing rate has been almost 100% for all tax types whilst e-payment has exceeded 98% of our total collections;
- We have been issuing 95% of all Personal Income Tax refunds within 10 days;
- 100% of VAT repayment to large taxpayers and 91% for small and medium taxpayers have been effected within 20 days;
- The dwell-time for cargo by air under the green and red channel were 32.26 minutes and 5.47 hours, respectively;
- Narcotics seizures were to the tune of Rs 272.9 million;
- Although there was no complete lock down, the MRA still paid some Rs 3,919 million and Rs 198 million under the GWAS and SEAS financial support schemes to affected sectors;
- Slightly more than one billion of rupees were paid to importers, distributors and retailers in the form of subsidy on essential products to ensure that consumers benefit from lower prices;
- 2,801 out of 3,210 complaints received have been disposed of by the MRA Departments; and,
- The Mauritian jurisdiction is still on the “positive” lists of the OECD and the European Union in so far as taxation is concerned thanks to concerted efforts of the MRA and its stakeholders to provide relevant explanation and make necessary amendments to our legislations to ensure compliance with international standards.

At the MRA, we have a tradition of coming up with new projects and initiatives every year so as to sustain our continuous reform agenda and meet the increasing demands of our stakeholders. During the year under review, the following main projects were implemented:

- **Integrated Customs Clearance Centre (ICCC):** inaugurated in January 2022, the ICCC aims at providing a one-stop-shop service for the clearance of air cargo and improving interaction with the trading community and hence improving customer service;
- **Central Control Room for CCTV & Scanning Operations:** implemented a multi-functional control room to enable the converging of all live footages at a single point and tract abnormal activities quickly and act spontaneously;
- **Operationalization of Body Scanner & Installation of Drug Loo:** implemented a full body scanner at SSR International Airport which is already yielding its fruits with several seizures made with the utilization of the scanner. A drug loo facility is also available at the airport for combatting of illicit drug trafficking;
- **Portable Retirement Gratuity Fund (PRGF):** additional work was done on the MRA system to ensure that employers can effect payment of PRGF in respect of their employees and funds collected together with relevant data on each employer & employee are transmitted to the Ministry of Social Security;
- **E-Alternative Tax Disputes Resolution (ATDR):** implemented the e-submission and e-recording of application to join ATDR, in line with MRA's paperless initiatives and taxpayer facilitation; and
- **Salary Review & Conditions of Service:** successfully completed discussions with the MRA Staff Association (MRASA) during the collective bargaining exercise and implemented the review of salary and conditions of service. The whole process was done in-house without the need to pay external consultants and without any representations from the MRASA thereafter.

Going forward, during the FY 2022/23, the MRA intends to implement some challenging projects that will further enhance the effectiveness and efficiency in revenue administration. At the same time, it will implement some projects for the Government which have some important social dimensions. The main ones are as follows:

- **E-invoicing Project:** Implementation of the e-invoicing project in a phased manner to ensure real time fiscalisation of invoices and increase in VAT receipts;
- **Integrated Single Window for Trade** to facilitate business-related public service delivery and reduce the cost of doing business through faster clearance of consignments and more effective trade related processes;
- **International Taxation:** Priorities remain amongst others (a) Pillar 1 and Pillar 2 discussions, including the introduction of the Global Minimum Tax (b) Annual Review by the Forum of Harmful Tax Practices (c) Automatic Exchange of Information (AEOI) and AEOI on Request with focus on effectiveness and data security;
- **Social Contribution (CSG) Income Allowance:** This project aims at paying some 350,000 persons earning less than Rs 50,000 in a month, an allowance of Rs 1,000 monthly during a one year period;
- **Prime De l'emploi:** MRA will pay some 10,000 unemployed men and women an amount of Rs 15,000 monthly for a one year period after a verification process; and
- **Revenue Collection:** The MRA is expected to collect Rs 126 billion of revenue during the forthcoming Financial Year for the Consolidated Fund which represents an increase of 18.7% over the preceding year.

As Director General of the MRA, I consider that the FY 2021/22 performance has been excellent in various areas and beyond our expectations. Through the revenues that we collect, we indirectly promote nation building. Recently, we have even been further engaged in this nation building process through some social assignments, that is, the distribution of financial assistance to the low and middle income earners, be it the Negative Income Tax Allowance, the Special Allowance or the Social Contribution (CSG) Income Allowance.

The various tasks we now perform at the revenue raising and distributing ends would not have been possible without the unflinching support of our staff. The recent experience of implementing the Social Contribution (CSG) Income Allowance within exactly one month from its announcement in the Budget Speech demonstrates the flexibility, adaptability and sense of urgency of our staff. They have risen brilliantly to the various challenges that we have faced over the years and I wish to express my gratitude to all of them for their support and collaboration.

I would like to thank the MRA's Board for their advice, leadership and strategic direction during the year under review. The MRA Management Team as the "think tank" of the MRA has been instrumental in helping the organisation to ride through the daunting challenges we faced and ensure the remarkable achievements in the FY 2021/22 and deserves my utmost respect and gratitude. Together, we shall make the FY 2022/23 an even more successful year.



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.

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 Role

Our Vision

Our Mission

Our Strategic Focus

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

1. Easing Tax Compliance
2. Promoting Taxpayers' Education, Communication and Facilitation
3. Developing People, Processes and Technology
4. Trade Facilitation and Reinforcement of Borders
5. Strengthening Good Governance and Improving Corporate Image

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 & 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.

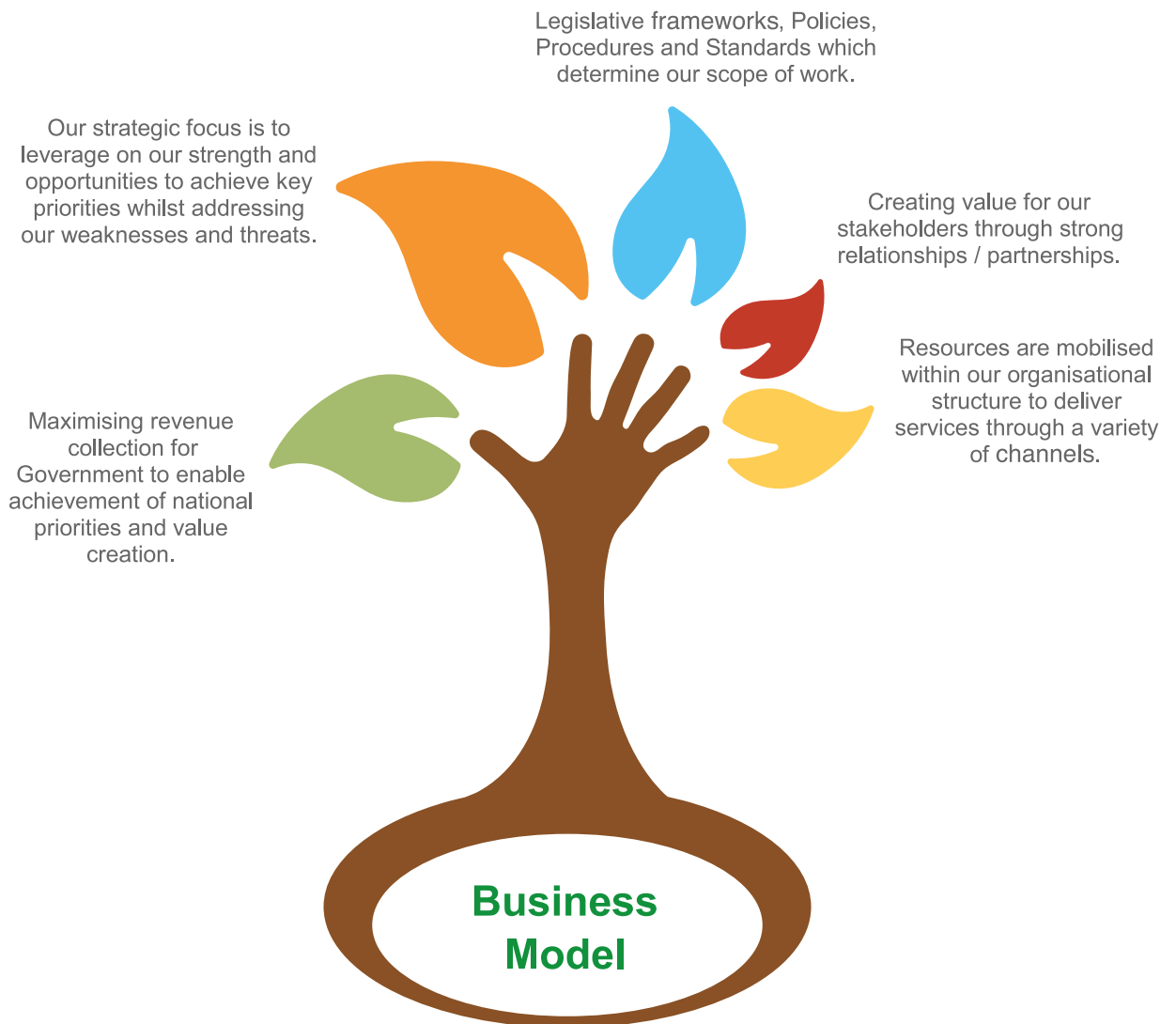
The MRA will continue to encourage a culture whereby all its employees are treated in an equitable and fair manner regardless of gender.

1. THE MRA AT A GLANCE – 2021/22

	Revenue Collected	Rs 112.6 Billion
	Staff	1,479
	Fiscal Investigation	Rs 1,358 Million
	Assessment Raised	Rs 6,719 Million
	Debt Collected	Rs 2,615 Million
	New Taxpayers Registered	• Income Tax : 43,872 • VAT : 2,722
	E-Payment	98% of Tax Revenue
	Refunds & Repayments Processed	• Income Tax : 67,487 • VAT : 5,848
	Narcotics Seizures	Rs 272.9 Million
	Consignment Scanned	• Airport : 33,763 • Port : 493,379

2. OUR INTEGRATED BUSINESS MODEL

2.1. Our Integrated Business Model



2.2. Environment Scanning

2.2.1. Global Economic Environment

Following more than two years of pandemic, despite a tentative recovery in the second half of 2021, the beginning of 2022 was characterised by an increasingly gloomy development. Russia's invasion of Ukraine in February 2022 and its global effects on supply chains, inflation, commodity prices and financial conditions have had a ripple effect on the global economy.

Pandemic induced supply-demand imbalances and increasing commodity prices have led to inflation surging in many economies even prior to the war. Trade restrictions coupled with supply chain issues have hindered if not, halted global industrial production bringing about shortage of commodities. China's zero Covid policy and lockdowns in its key cities have also contributed to disrupt global economic activity. The invasion by Russia drove up commodity prices in the petroleum, gas and agri-business sectors, as strikes on key Ukrainian infrastructure, ports and cities sent shuddering shockwaves coursing through supply chains.

Currency depreciation in developing economies has served to fuel inflation in imported goods amid reduced foreign capital inflows and sovereign credit downgrades. This has prompted many advanced economies to tighten their monetary and financial policies to help combat rising prices.

The International Monetary Fund (IMF), the World Bank and the Organisation for Economic Co-operation and Development (OECD) have reviewed their economic forecasts for 2022 down. According to the IMF, global output growth has been revised downwards to 3.2% for 2022 and 2.9% in 2023, while inflation has been revised upwards to 6.6% in advanced economies and 9.5% in emerging and developing economies. The World Bank expects growth in sub-Saharan Africa in 2022 to drop from 4% in 2021 to 3.6 % in 2022. It is feared that the world economy will be facing a situation of stagflation with high inflation and low growth.

2.2.2. Domestic Economic Environment

As Mauritius is an open economy with strong vertical and horizontal linkages with the rest of the world, the COVID-19 pandemic continued to have lasting repercussions on the Mauritian economy. The impact of the pandemic on the domestic environment has been much more severe than the financial crisis of 2009 when Mauritius managed to come out nearly unscarred.

The war's impact on food and energy prices coupled with pressures on the rupee have weighed down significantly on household consumption through the rise in the prices of various basic commodities. The increases in gasoline, diesel and other commodity prices have continued to have an impact on inflation. In response to the rising basic commodity prices, the government provided subsidies on several necessities and the MRA was a major player in this initiative through the payment of the subsidy element to the business community.

The persistent rise in input costs has hampered growth in the construction sector. Given the surge in the prices of raw materials used in the construction industry on the back of higher freight charges, private investment in construction has been adversely affected.

The hotel and the airline industry experienced a breeze of fresh air as from October 2021 when Mauritius decided to re-open its market to international travel with limited or in some cases no travel restrictions. According to Statistics Mauritius, in the first semester of 2022, 376,556 travelled to Mauritius compared to 3,225 for the same period last year. While the numbers are still below the pre-pandemic levels, the Mauritian authorities expect the numbers to continue to follow an upward trend.

The official Medium Term Macroeconomic Framework provides that the budget deficit for FY 2021/22 will be maintained at 5% of GDP as higher spending on the recurrent expenditure is expected to offset spending on the capital budget. However, the deficit is expected to fall to 4% in the FY 2022/23.

Despite the economic downturn revenue collection for the fiscal year 2021/2022 was higher than those in the preceding year by an impressive 26.0%.

2.2.3. Tax Administrations in a Changing Environment

Tax administrations worldwide are facing new challenges in the post COVID-19 situation. They are being asked to do more with less resources. In addition, the role of a tax administration is itself changing with some like the MRA, not only collecting revenues, but also being asked to implement social programmes. The latter implementation calls for some fundamental changes in tax administrations, including the profile of staff needed to carry such tasks.

A new behavioural response to the traditional tax compliance strategy in tax administrations is also emerging with a shift to prevention rather than just detection and non-compliance. There are also initiatives to put tax compliance in the broader governance framework with emphasis on corporate boards to discuss more regularly and take ownership of a company's tax strategy. It is the shared opinion that Boards are more likely to weigh up the financial and reputation risks linked with an aggressive tax strategy than the tax directors of the company. Hence, in a few countries, Commissioners are spending more time talking to board members.

Tax administrations worldwide also face some upcoming challenges. For instance, new technologies are challenging them to think differently about the way they operate, critically examine whether their services, products and business model are sufficiently aligned to the tax administration of the 21st century. Some other challenges facing tax administrations worldwide include:

- (a) risks of confidentiality breaches especially with the rapid increase in tax information exchange;
- (b) the need to work closer with other enforcement and regulatory agencies. In Mauritius, the focus of the Financial Action Task Force on tax crimes as a predicate offence has called for much greater collaboration and referral of suspected cases to the enforcement agencies for money laundering;
- (c) balance the risk associated with creating a business friendly tax environment as it may become an excuse for weak tax compliance as a means of attracting businesses;
- (d) maintaining taxpayers' trust in the system through an inclusive and constructive dialogue between taxpayers, tax advisors and tax administrations;
- (e) changing attitudes towards tax disputes with both parties recognising their shared interest in minimising and resolving tax disputes quickly and also avoiding them;
- (f) taxpayers becoming more assertive and insisting that they have rights as well as obligations;
- (g) policy makers recognising that the informal economy cannot be dealt with effectively by just having recourse to stricter enforcement; and
- (h) monitoring developments in the field of international taxation, pioneered by the OECD, which may require some legal, administrative and procedural changes in order to avoid falling in the negative list of countries with non-compliant tax systems.

The MRA will continue to scan its local and international environment so as to ensure that it adapts to them and builds the capacity and mobilise the resources necessary to implement the changes required in the new economic landscape.

3. LEGISLATIVE, POLICY PRINCIPLES AND STANDARDS FRAMEWORK

International Membership:

- ATAF
- CATA
- COMESA
- IMF
- IOC
- SADC
- WORLD BANK
- WCO
- OECD

Board Committees:

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

Other Committees:

- Ministry of Finance, Economic Planning and Development
- Economic Development Board
- Integrity Advisory Committee
- Customs Stakeholders Forum
- Global Finance Mauritius
- Accounting Firm's Forum
- Law Enforcement Agency Working Group

MRA administers these Regulations:

- The Income Tax Regulations 1996
- Value Added Tax Regulations 1998
- Customs Regulations 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

Various other Regulations made under the Customs Act, Customs Tariff Act and Workers' Rights Act

MRA Internal Policies:

- Code of Conduct & Ethics – Board Members
- MRA Board Charter
- Code of Conduct & Ethics – General
- 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
- Whistle Blowing Policy
- Health and Safety Committee

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

4. OUR VALUE CREATION PROCESS





Human Capital

- Strong executive and leadership teams
- Engaged, capable and flexible employees
- **Our collective knowledge, skills and experience to enable innovative and competitive solutions for the taxpayers**
- High-performance ethical culture



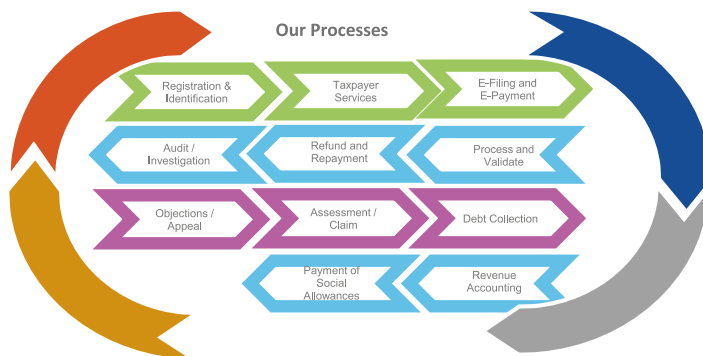
Manufactured Capital

- Our business structure and operational processes including our physical and digital assets, infrastructure, products as well as our IT which provides the framework on how our business is conducted



Social Capital

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



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 Filing Unit
- International Tax Unit
- Training Academy
- Skilled and Dynamic workforce
- Mobile Scanner
- Drones
- Full Body Scanner

.... create value for our stakeholders

OUTCOMES



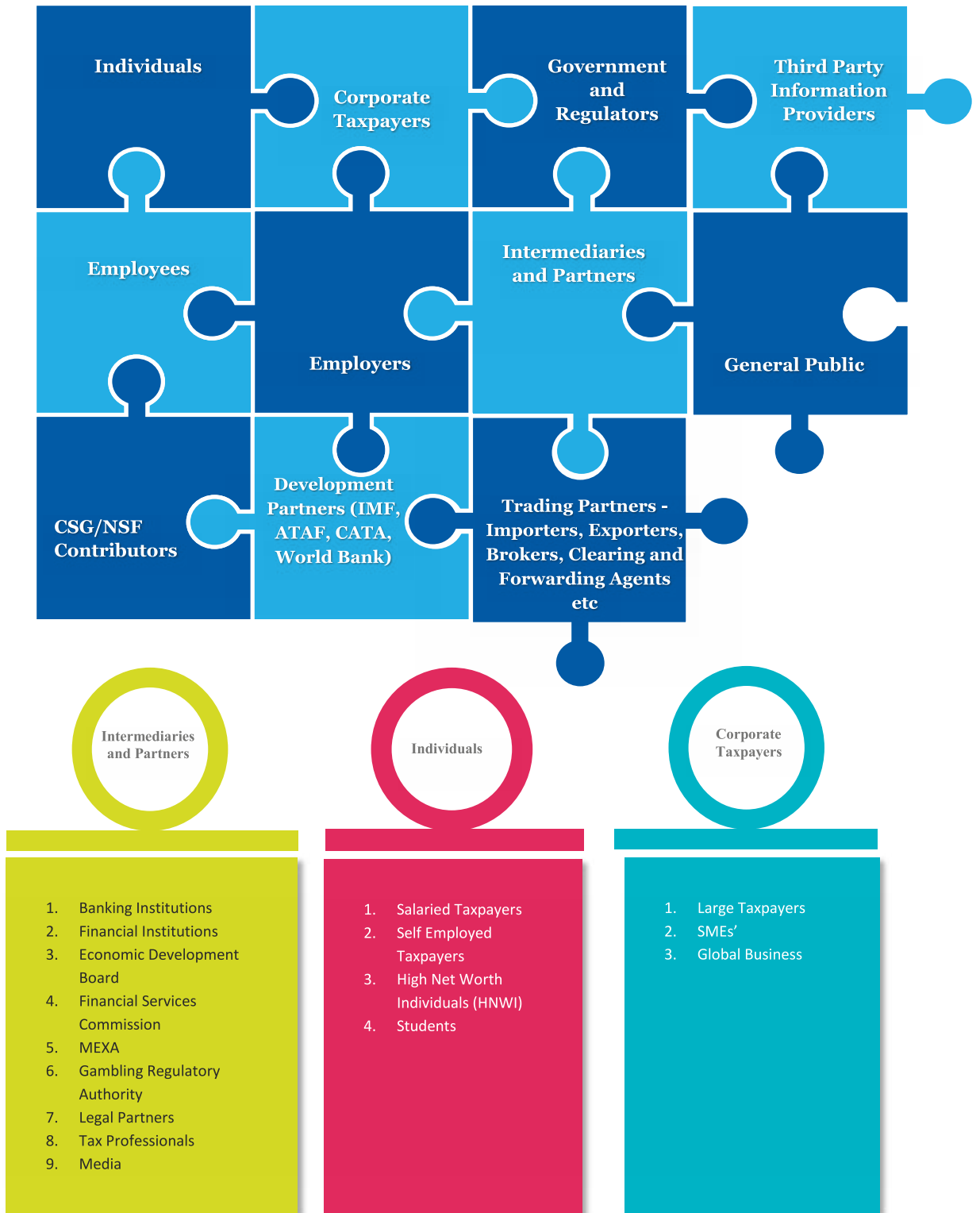
Social & Relationship Capital

- Annual blood donation at our offices
- CSR activities for the underprivileged
- Memorandum of Understanding (MoU) network expanded
- Regular interaction with customs and tax stakeholders
- Satisfaction survey to receive stakeholder feedback

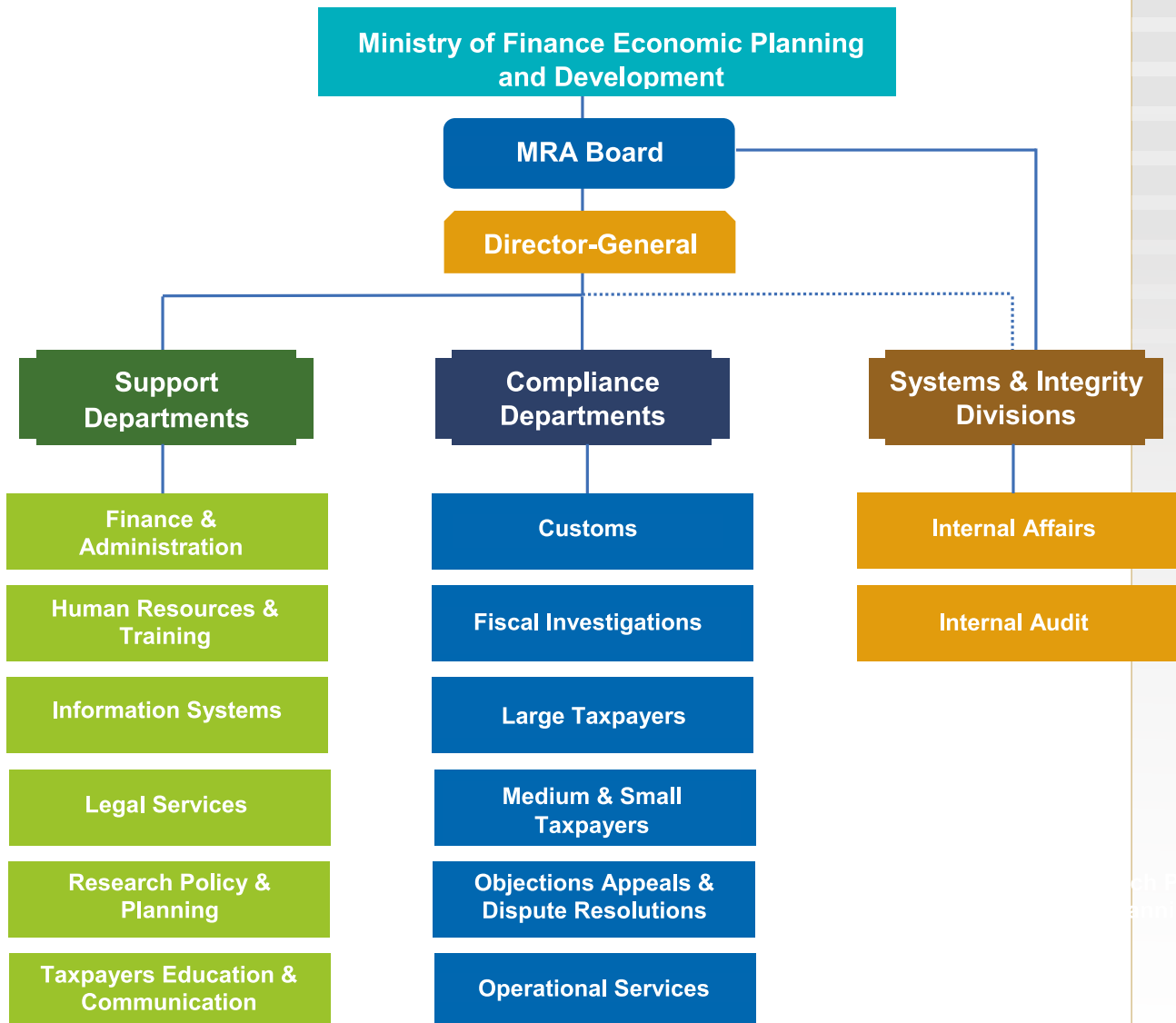
VALUE FOR STAKEHOLDERS

- Achieving revenue target set by the Government
- Expeditious implementation of income support schemes
- Taxpayer Facilitation initiatives through automation
- Providing key figures to government bodies for the production of National Statistics
- Fast Track Income Tax and VAT refunds
- Expeditious refunds /repayments
- Timely release of goods at the Customs
- Deferred payment facilities for imports
- Single Window for coordinated cargo clearance
- Double Taxation Agreement (DTA) network
- Taxpayer Education Programs (Schools, Radio, business partners etc..)
- Publications, Guides and Brochures
- Competitive salary structure and conditions of service
- Regular meetings with the MRA Union
- Assistance to Self Employed and Companies during COVID-19 Pandemic

5. OUR STAKEHOLDERS



6. ORGANISATIONAL STRUCTURE



Divisions

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.

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.

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.

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.

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 DTAAs, 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.

Objections, Appeals & 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 Revenue 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.

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.

Support Departments

Finance & Administration

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

Human Resources & Training

The Human Resources and Training Department (HRTD) is responsible to design and implement human resource management & training policies and applying best HR practices to attract, motivate, develop and retain high-quality staff, that will help MRA achieve its strategic objectives and be recognized as a leading employer.

Information Systems

The Information Systems Department (ISD) is responsible for the set-up, implementation and maintenance of the MRA's Information Systems. ISD identifies the current, medium and long-term ICT requirements, and also provides technical guidance on MRA information systems for supporting MRA's vision of being a world class Revenue Authority.

Legal Services

The Legal Services Department (LSD) initiates, prepares and prosecutes and/or defends criminal and/or civil cases on behalf of the MRA before all jurisdictions in Mauritius. The LSD regularly initiates recovery action on behalf of the Authority in relation to civil claims. It also provides timely and strategic advice to all directorates of the MRA, including on matters pertaining to employment, procurement and insolvency matters. It assists in a number of Internal Committees set up by the MRA and conducts in-house training for officers of the MRA.

Research, Policy & 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.

Taxpayer Education & 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.

OUR REVENUE COLLECTION AND INCOME SUPPORT FUNCTIONS



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



Mandated to collect

- Contribution Sociale Généralisée (CSG) / 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



Assistance to the vulnerable

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

MRA BOARD MEMBER'S PROFILE



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

Chairperson

Appointed in December 2016

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 (Hons) 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.

Director - Mauritius Duty Free Paradise

Chairperson - Mauritius Telecom

Director - Air Mauritius

Chairperson - Multi Carrier (Mauritius) Ltd.

Chairperson - Metro Express Ltd.



Mr. Mahensingh BHEEKHEE
Board Member

Appointed in July 2017

Committee Member:

Chairperson of Central Tender Committee

Skills and Previous Experience

He is currently Director (Economic & Finance) 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 28 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

Appointed in March 2015

**Committee Member/
Chairperson:**

Chairperson of the Audit and 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 Assistant Parliamentary 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

Appointed in December 2016

Committee Member:

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

Skills and Previous Experience

He is a Director (Economic & Finance) 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 20 years.

External Appointments

Board Member at Central Electricity Board

Member of the Managing Committee of the Covid-19 Solidarity Fund

MRA BOARD MEMBER'S PROFILE

**Mr. Dinay REETOO****Board Member**

Appointed in October 2021

Committee Member:

Chairperson Corporate Governance Committee

Skills and Previous Experience

He graduated with an LL.B. (Hons) from the University of Warwick, UK and completed his Bar Vocational Course at Nottingham Law School, UK. He is member of the Honourable Society of the Middle Temple. He was called to the Bar in the United Kingdom in 2002 and was admitted to the Mauritian Bar on 11 November 2003.

His career in the public sector began with the appointment as Temporary State Counsel in April 2004, the Attorney-General's Office. He has served successively as State Counsel, Senior State Counsel, Acting Principal State Counsel, Principal State Counsel and Acting Assistant Parliamentary Counsel prior to his substantive appointment as Assistant Parliamentary Counsel in May 2021.

He has a keen interest in international law and holds a Graduate Certificate in Maritime Studies (Law of the Sea) from the University of Wollongong, Australia.

He also provides legal advice to Ministries, Government departments and to various statutory bodies.

External Appointments

Chairperson - Financial Intelligence Unit
Co-chair - Piracy Legal Forum of the Contact Group on Piracy off the Coast of Somalia
Member of the Law Reform Commission, the ICT Authority and chairs the Ethics Committee established under Section 7 the Clinical Trials Act

**Mrs. Vailamah PAREATUMBEE****Board Member**

Appointed in October 2021

Committee Member:

Member of Audit & Oversight/Risk Management Committee

Skills and Previous Experience

She is a Fellow of the Association of Chartered and Certified Accountants since 2001 and a Registered Professional Accountant with the Mauritius Institute of Professional Accountants since 2006. She obtained her Master Degree in Business Administration (MBA) with Specialisation in Finance from the University of Mauritius in year 2000 and in June 2021 she completed a Master Certificate in Sustainable Infrastructure Development and Finance from York University, Canada.

She is presently Director, Economic & Finance at the Ministry of Finance and has vast experiences in the Civil Service. Throughout her career she has fulfilled various positions and serviced different government institutions namely the Ministry of Social Security, the National Audit Office, the Ministry of Finance, Economic Planning & Development, the Management Audit Bureau, the Ministry of Education, the Empowerment Programme and the National Empowerment Foundation.

External Appointments

Director, Mauritius Ports Authority
Director, Cargo Handling Corporation Ltd.

**Mr. Sudhamo LAL, C.S.K****Board Member**

Appointed as Director-General in May 2005

Committee Member:

Member of the Central Tender Committee and 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 the next 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.

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

dgooffice@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

216 4317

dhoojanaden.maunikum@mra.mu

MRA MANAGEMENT TEAM'S PROFILE



207 5942
207 6042
sumita.mooroogen@mra.mu

Sumita Devi MOOROOGEN
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 Internal Auditors and the Audit Committee Forum.

Date of Appointment on Management Team:

14 June 2006

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 Section Head in the Objection, 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



207 5914
207 6016
mahmad.oozeer@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 Taxpayer 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

MRA MANAGEMENT TEAM'S PROFILE



202 0500
216 7601
vivekanand.ramburun@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

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



207 5914
vayda.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 the Director of Fiscal Investigations Department since October 2020.

Date of Appointment on Management Team:

02 April 2012

MRA MANAGEMENT TEAM'S PROFILE



207 5000

207 5050

panday.ramkissoon@mra.mu

Geerjanand Panday RAMKISSOON

Director, Objections, Appeals and Dispute Resolutions

Qualifications:

- Fellow member 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 Taxpayer 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

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



207 6091

roshan.oree@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

MRA MANAGEMENT TEAM'S PROFILE



207 5933
207 6033
amick.teeluckdharry@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

Ourvashinee ROOPCHUND-MUNGAR

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



202 0500
216 4198
ourvashinee.mungar@mra.mu



207 5000
216 0097
rajeev.gobin@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

TECHNICAL ADVISOR to the DIRECTOR-GENERAL



2076081



mario.hannelas@mra.mu

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 is 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.

9. STRATEGIC OUTCOME: CORPORATE GOVERNANCE

9.1. Governance Structure

The MRA has been established under the MRA Act 2004 and acts as an agent of the State, for the collection of and accountability for tax. 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.

The MRA recognises good corporate governance practices as critical in achieving and sustaining its long term success. It is the responsibility of the Board to ensure that such practices continue to remain amongst the priority of the organisation and are also maintained across the authority.

While adhering to good governance practices, the Board stands guided by the National Code of Corporate Governance (2016) (the Code) and ensures that MRA's governance structure complies, as far as possible, with all the requirements of the Code.



9.1.1. MRA's Corporate Governance Framework

The MRA operates within a clearly defined Corporate Governance Framework which is appropriate to the organisation and is depicted as follows:



The MRA's corporate governance framework is set out in this chapter and is in accordance with 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

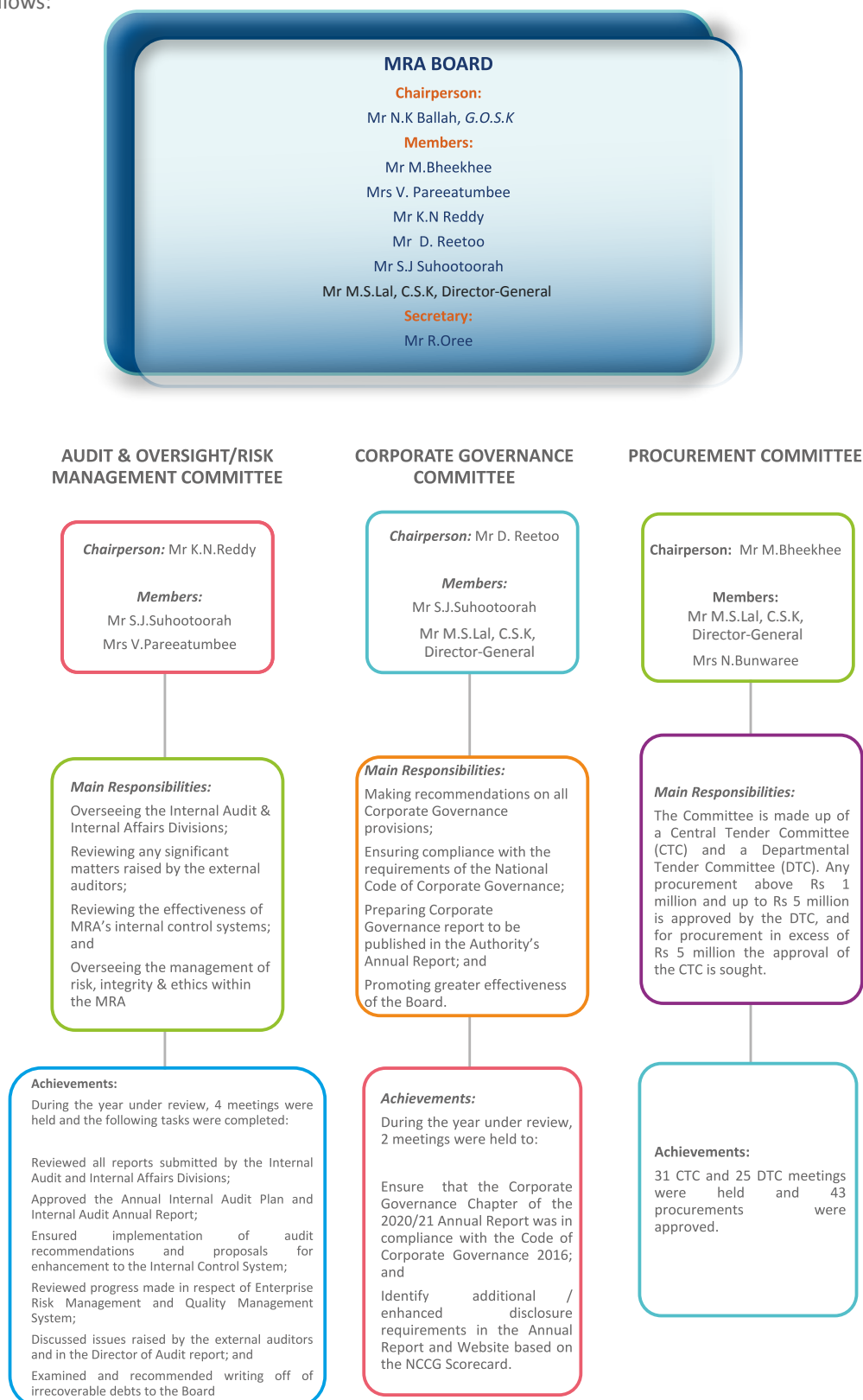
9.2.1. Board Structure

The MRA has a Board structure comprising seven members, including the Chairperson. All the members of the Board are non-executive members, with the exception of the Director-General. The members, including one female have a diverse mix of skills and are professionals who possess adequate knowledge in the field of accountancy, economics, taxation, law and business administration. Six out of the seven members are non-executives and are, therefore, the independent directors of the MRA Board who play a vital role in providing independent judgement. A profile of each Board Member is given at chapter 7 of this Report.

9.2.2. Board and Sub-Committees Composition

The Board has set up three separate sub committees, namely, Audit & Oversight / Risk Management Committee, Corporate Governance Committee and Procurement Committee, aiming at streamlining the tasks of the Board and to ensure that specific matters are given due consideration and properly addressed before being reported to the Board.

The composition of MRA's Board and its sub committees during the Financial Year 2021/22 is illustrated as follows:



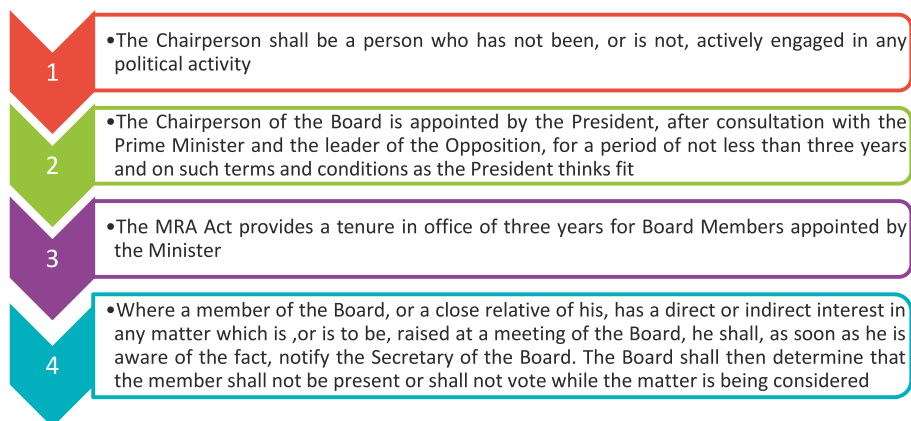
9.2.3. Functions of the Board / Responsibilities and Achievements

-  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

9.3. Directors' Appointment Procedures

9.3.1. Appointment

Section 5 of the MRA 2004 provides that

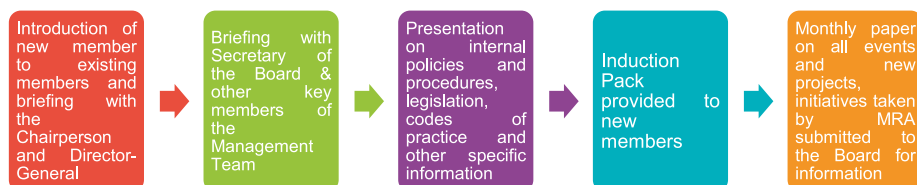


During the FY 2021/22, in accordance with section 5 (2) (d) of the MRA Act, the Minister of Finance, Economic Planning and Development has filled in two vacant seats of member of the Board for a period of three years. The two newly appointed Board members are as follows:

- (i) Mrs V. Pareatumbee, Director, Minister of Finance, Economic Planning and Development; and,
- (ii) Mr D. Reetoo, Assistant Parliamentary Counsel, State Law Office.

9.3.2. Board Induction / Continuous Development Programme

1. As part of its continuous development programme, the MRA encourages and gives its Board members the opportunity to attend various workshops and training.



2. During the year under review, Board members were offered opportunity to attend a workshop organized by the MlOD on Board's Reporting and Assurance Requirements, in particular to Role in the 'Lines of Defence' and Risk Assurance.

9.3.3. Appointment, Remuneration and Succession Planning of Senior Executives

Being an equal opportunity employer, the recruitment process at the MRA, including that of senior executives is carried out in a fair, transparent and non-discriminatory manner. The selection committee for senior executives, as approved by the MRA Board, is constituted in accordance with paragraph 11(4) (B) of the MRA Act which provides, inter alia, that such recruitment there is at least one member of the Board on the selection committee. Prior to the interview exercises, eligible candidates for the post of senior executives are subject to a psychometric test. On recommendations of the selection committee and following approval of the Board, the selected candidate is offered employment as senior executive on a three-year contract basis.

The remuneration policy at the MRA is defined in the HR Manual. Remuneration of senior executives

includes salary, end of the year bonus, annual increment, gratuity and car benefit. Same is revised every 3 years and is approved by the Board.

As for succession planning, the strategy is three-fold namely: (i) Identification of Talents, (ii) Development of Talents and (iii) Deployment of Talents. Specify development programmes are organised for potential senior executives to bridge the gaps identified. Other initiatives which act as catalyst to support succession planning for senior executive level at the MRA are, amongst others, acting-ship/higher responsibilities, rotation/transfer exercise, opportunities for self-development, overseas training.

9.4. Directors' Duties, Remuneration & Performance

9.4.1. Board Meetings/ Attendance

Board meetings are scheduled on a monthly basis by giving appropriate notice. In case of urgent matters, special and/or additional meetings may also be held at very short notice. Members are required to attend every meeting of the Board which will facilitate the implementation of decisions being taken. Accordingly, all meetings are conducted with the required quorum. For specific matters, senior members of the Management Team are also invited to be in attendance, to provide any clarifications required by the Board. Prior to Board meetings, Board Members have the opportunity to meet and consult each other.

It is amongst the responsibility of the Secretary to the Board to arrange the Board meetings and to circulate all the relevant Board documents as per set requirements prior to each Board meeting. After each meeting, the Secretary to the Board is also responsible for communicating Board decisions to concerned Directorates, preparing the Minutes of Proceedings and ensuring the necessary follow up on key decision agreed to be executed.

9.4.2. Board Attendance

Table 9.1: Board Attendance				
Members	Board Meeting	Board Committees		
		AO/RMC*	CGC**	PC***
	12	4	2	31
Mr N. K. Ballah, G.O.S.K (Chairperson)	12			
Mr M. Bheekhee	12			31
Mrs V. Pareeatumbee	9	2		
Mr K. N. Reddy	11	4		
Mr D. Reetoo	9		1	
Mr S.J. Suhootoorah	12	4	2	
Mr M. S. Lal, C.S.K (Director-General)	12		2	31

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

**CGC: Corporate Governance Committee

***PC: Procurement Committee

9.4.3. Roles and Functions

The roles and functions of the Board are listed at Section 9.2.3 of this chapter.

9.4.4. Board Evaluation

Board evaluation is not a statutory requirement but generally accepted good practice as per the Code. To ensure the effectiveness of the Board and its subsidiary committees, evaluation can be conducted either internally or externally. Accordingly, the MRA has over the past years carried out both internal and external evaluations of its Board to enhance its effectiveness and ensure Board members possess the appropriate skills and experience. For the period under review, the evaluation of the Board was not applicable.

9.4.5. Board Remuneration

Board members are paid a monthly fee as determined by the Minister.

Details on Board member's remuneration and appointment are given in Table 9.2.

Table 9.2: Fees & Duration of Appointment			
Members	Board Fees (Rs)	Date of last Appointment	Duration of office
Mr N. K. Ballah, G.O.S.K (Chairperson)	840,000	Feb 2021	3 years
Mr M. Bheekhee	300,000	Feb 2021	n/a
Mrs V. Pareeatumbee	225,000	Oct 2021	3 years
Mr K. N. Reddy	300,000	Aug 2021	3 years
Mr D. Reetoo	225,000	Oct 2021	3 years
Mr S.J. Suhootoorah	300,000	Feb 2021	3 years
Mr M. S. Lal, C.S.K (Director-General)	300,000	By Designation	n/a

9.4.6. 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 centre. Furthermore, the MRA's Information Technology, Information Security Policy, Document Retention 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 the 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 2021/22, Internal Audit reviewed the Risk Management at the level of each department. Changes 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 January 2022. 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 June 2022.

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, MRA strategic risks were fully reviewed and the 10 top risks along with the mitigating factors identified for continuous monitoring and management are 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 ● 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 ● Work from home
2.	Risk of wrong disbursement of allowances	● System control based on database of information ● Matching with Third Party Information ● Payment by Bank Transfer ● Complaints Monitoring ● Audit of GWAS ● Monitoring of Funds

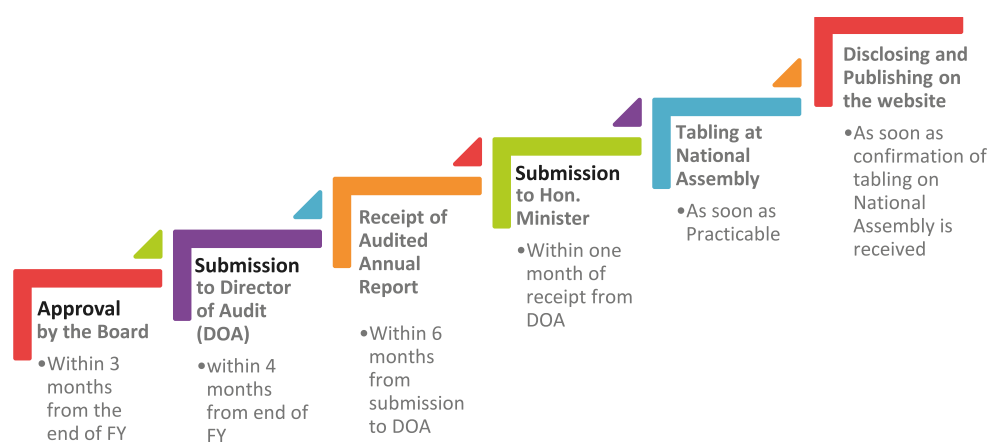
SN	Top MRA's Strategic Risk	Mitigations
3.	Risk of non-compliance to Revenue Laws	• Dedicated department for education and communication campaigns • Continuously easing tax compliance through IT and customer service • Communication policy • Tax/Customs Audits and Investigation • Special Measures Unit to cater for non-compliance - "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 complaints platform/hotline • Mobile and Body Scanners • MOU / CMAA with other agencies • Inland Operations wrt IPR goods
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 System Risk	• Continuous modernisation projects • Robust infrastructure and systems • Disaster Preparedness Guide • Disaster Recovery Site • Continual improvement of information security techniques • Independent Assurance on IT Security • Compliance with ISO 27001 Information Security Standard • Regular progress reporting on major projects • Modernisation Committee
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 procedure

SN	Top MRA's Strategic Risk	Mitigations
10.	Risk of unpreparedness for Disaster and Crisis Management	- Disaster Preparedness Guide (DPG) and Rehearsal - Communication Protocol

9.6. Reporting with Integrity

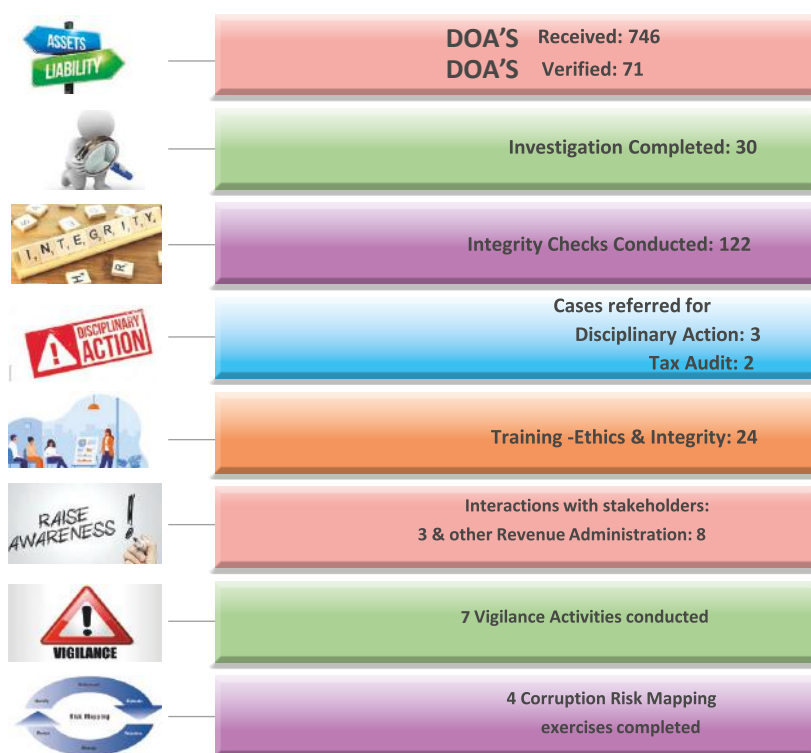
9.6.1. Submission of the Annual Report

In line with Section 6 (A) of the Statutory Bodies (Accounts and Audit) Act, the MRA prepares its annual report every year. Details about the prescribed statutory limits are outlined as follows:



9.6.2. Ethics and Integrity

- The Internal Affairs Division, headed by a Director, handles ethics and integrity at the MRA. The team consists of 12 officers (2 Team Leaders, 8 Technical Officers and 2 Support Officers).
- Initiatives undertaken during FY 2021/22 for promoting Integrity Management



3. It is to be noted that an Organisational Integrity Perception survey is generally conducted every 3 years at MRA. The last report dates back to April 2021.

9.6.3. Sanctions for Breaches

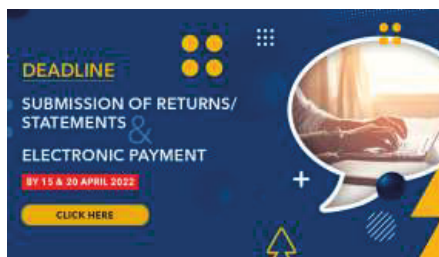
Breaches of disciplinary codes of conduct/ethics may result in minor, serious or gross misconduct with appropriate sanctions like verbal/written warning, deferment / stoppage of annual increment, reduction in rank of pay for days or dismissal.

9.6.4. Whistle Blowing Policy

The MRA has come up with a new whistle-blowing policy for its employees, stakeholders, and members of the public. The policy is available on the MRA website and confirms MRA's commitment to promote integrity and to fight tax crimes, fraud, corruption-related offences, and other malpractices

9.6.5. Environment

The sustainable initiatives undertaken by the MRA to safeguard the environment were:



Continually encouraging taxpayers to file return & make payment electronically and promoting for a paperless organisation by automating various processes



Saving energy through installation of photovoltaic panels at ICCC and other environmentally friendly measures in progress for different premises of the MRA



Encouraging staff to recycle products and equipment



Photovoltaic Panels installed at ICC Building

9.6.6. Safety and Health

Details of all measures implemented in respect of safety and health have been detailed at chapter 14 of this report.

9.6.7. Corporate Social Responsibility

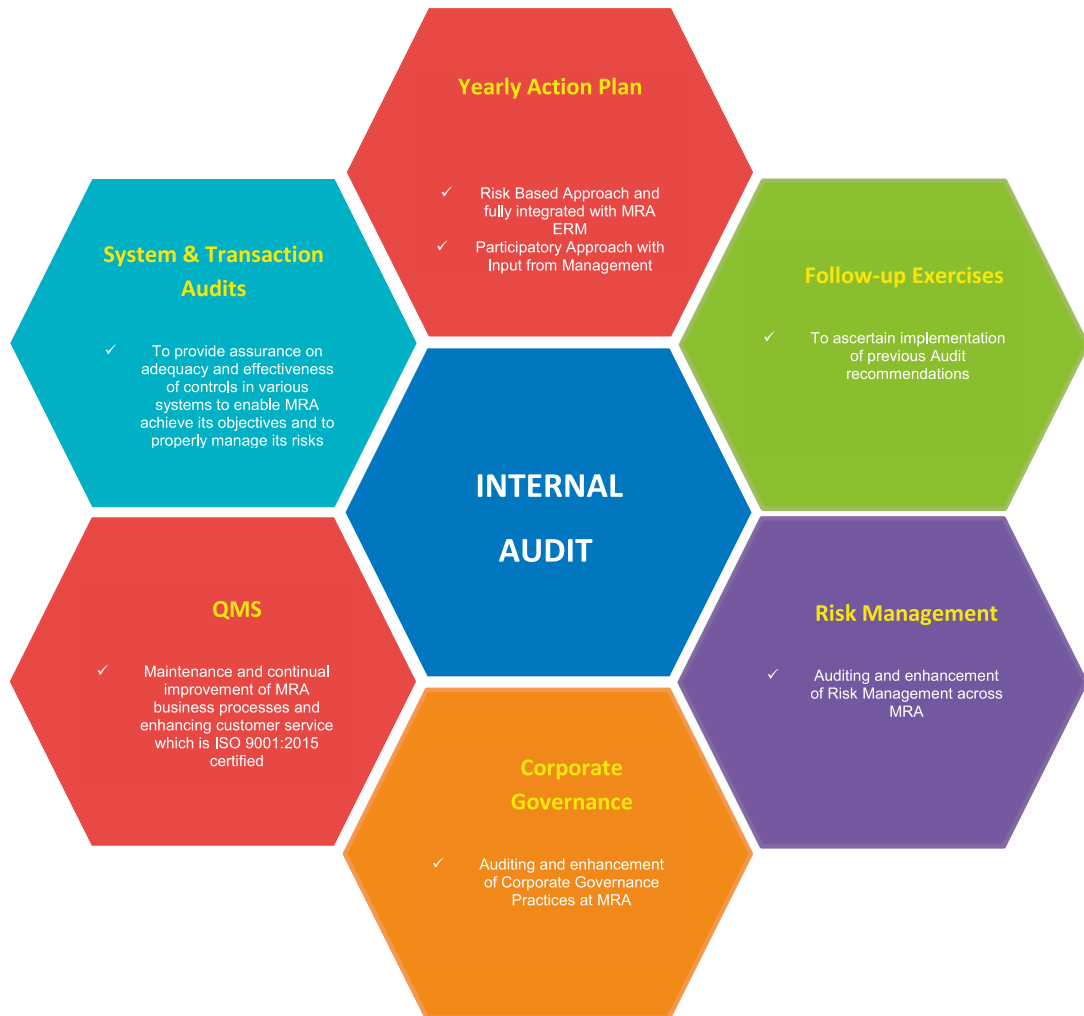
The MRA remains committed to the society and fully believes in engaging in CSR activities which are elaborated at chapter 14 of this report

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. Responsibilities



9.7.3. Achievements in FY 2021/22

System and Transaction Audits



- ✓ Completed 20 Audits
- ✓ Follow up over some 20 previous Audits for implementation of audit recommendations



- ✓ Foreign Football Betting
- ✓ Taxpayers' Accounts
- ✓ Debt Management
- ✓ Controls over Tax Returns
- ✓ Taxpayers' Compliance following tax investigations
- ✓ Handling of Stakeholder Requests / Queries



- ✓ Customs Controls over Petroleum Products
- ✓ Customs Anti-Narcotics Section
- ✓ Monitoring of Securities
- ✓ E- Duty Free Certificate System
- ✓ Customs Control over empty containers

Finance and Administration



- ✓ Revenue Collection
- ✓ Survey of Safes



- ✓ Integrity Checks
- ✓ Write off of Debts



- ✓ Leave and Attendance
- ✓ Health and Safety



- ✓ IT Backup system
- ✓ Follow-up on IT Security

Advisory and Others

ERM



- ✓ Auditing of ERM, discussion at the level of the Risk Monitoring Committee and reporting to the Audit and Oversight/Risk Management Committee
- ✓ Review of ERM Policy Document
- ✓ Computerisation of Risk Registers in progress



- ✓ Assurance on compliance to disclosure requirements
- ✓ Assistance for upgrading MRA Annual Report
- ✓ Self-assessment of corporate governance practices based on the Corporate Governance Scorecard for Mauritius (2021)



- ✓ Quality audit of some 130 processes across MRA Departments
- ✓ Re-certification of MRA to ISO 9001:2015 by MSB for a further 3 years

IIA Quality Assurance Improvement Program



- ✓ Internal assessment to ensure compliance with the IIA Standards and Code of Ethics
- ✓ Validation review by external independent qualified assessor
- ✓ External assessment by Ernst & Young Ltd

9.7.4. 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 Annual 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. Following the release of the report, MRA ensures that implementation of the recommendations contained therein.



9.8. Relations with Shareholders & Other Key Stakeholders

The MRA is committed to engage actively with its stakeholders to meet their expectations and interests in an effective and efficient manner. The MRA makes use of different platforms, mediums and forums, such as communiqués, press release, TV/Radio programmes, meetings, workshops, interactions and surveys to ensure stakeholders are fully aware of their obligations and latest developments taking place in the field of tax administration.



The MRA's key stakeholders are presented 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 2021/22 include:

1. Grants (capital & revenue) of Rs 2,798,626,780 from Government;
2. Fees paid to Board Members for an amount of Rs 2,490,000; and
3. Payment to key management personnel for an amount of Rs 63,809,182.

The profile of each Management Team member is given 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 on-going 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 system 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.

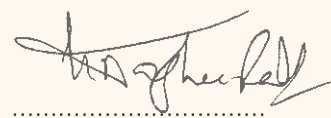
The Board is apprised of all deliberations and decisions taken by the Audit and Oversight/Risk Management Committee.

The Board also ensures the safeguarding 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

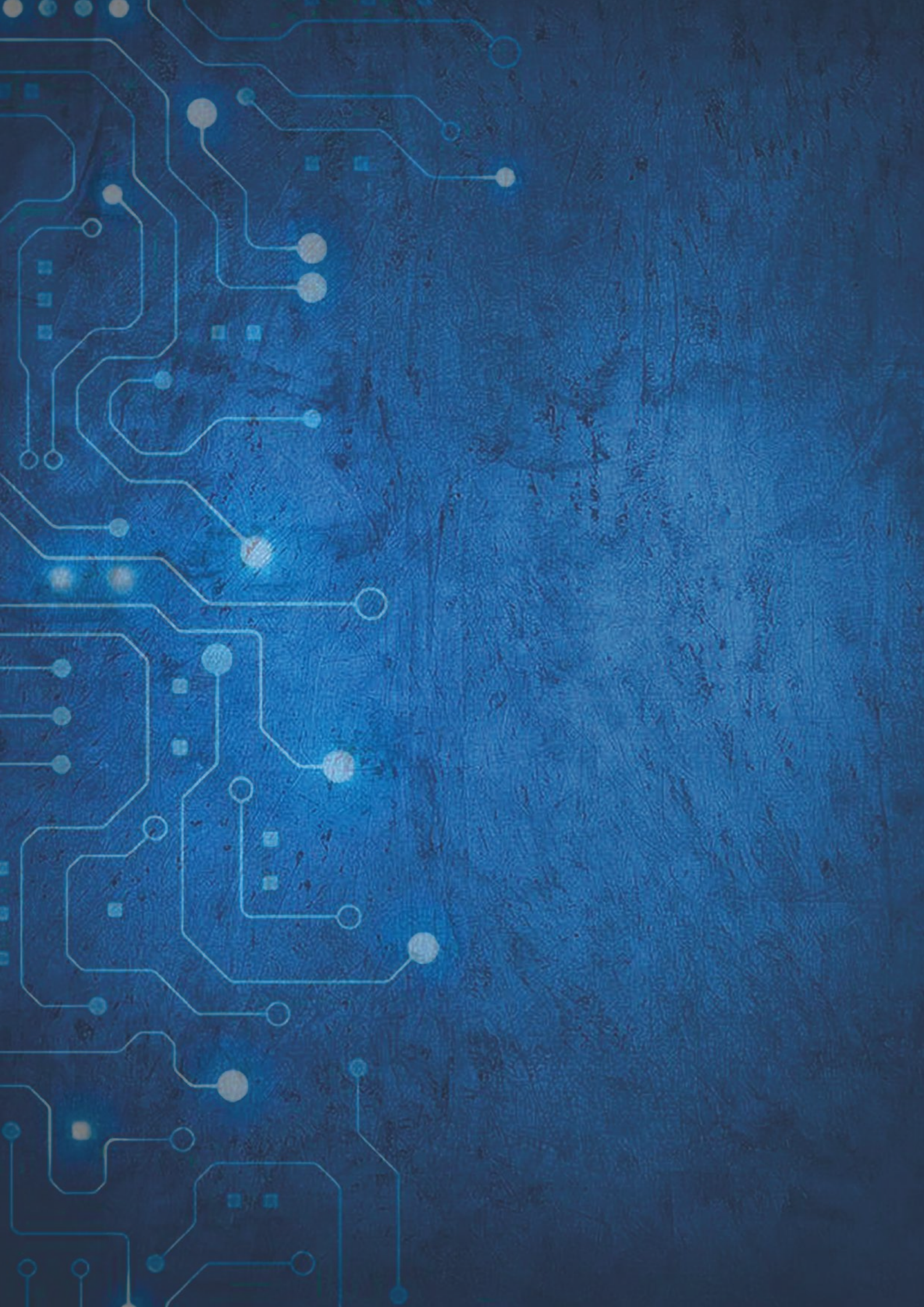
Throughout the year ended 30 June 2022, to the best of the Board's knowledge, MRA has complied with the requirements of the Code of Corporate Governance for Mauritius (2016) in all material aspects.



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



D. REETOO
Chairperson Corporate Governance Committee



Reaching New Milestone...

Rs100 Billion



...Collecting **Rs112 Billion** of
Revenues in FY 2021/22

10. STRATEGIC OUTCOME: REVENUE COLLECTIONS & INCOME DISTRIBUTION

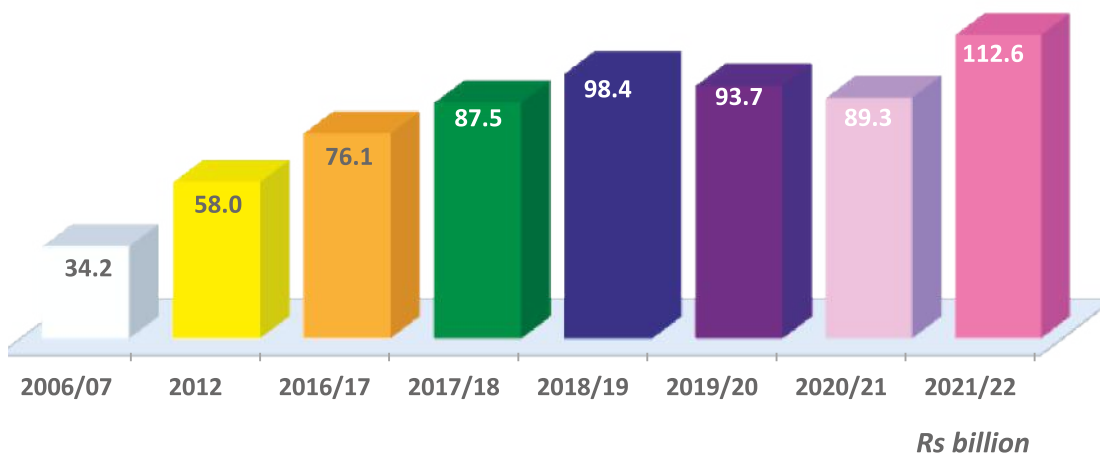
10.1. Revenue collections

The financial year 2021/22 was exceptional from a revenue collection perspective. In the face of the continued significant economic and social disruptions attributed to COVID-19 pandemic, a record amount of revenue of Rs 112.6 billion was collected i.e., 26.0% more than the preceding year. Of the total receipts, Rs 106.5 billion was transferred to the Consolidated Fund representing a growth of 25.5% over FY 2020/21.

The MRA's revenue collections performance in FY 2021/22 reflects two landmark achievements. First, for the first time in its short history, revenue collections had exceeded the Rs 100 billion threshold. Second, never before in our short history, have we achieved a 26% growth in tax receipts over a preceding year period.

Chart 10.1 illustrates a broad evolution of total tax revenues since MRA's first year operation in 2006/07.

Chart 10.1: MRA Revenue Collections 2006/07-2021/22



The steady growth in revenue collection from 2006/07 to 2018/19 was upended by the COVID-19 pandemic in the years 2019/20 to 2020/21. As outbreaks were actively managed and borders were reopened, the economy is slowly but surely recovering and returning to a sense of normalcy.

Table 10.1 compares revenue collections in FY 2021/22 with budgetary estimates and FY 2020/21 collections. Proceeds for the Consolidated Fund were only Rs 163 million short of revised estimates but were 1.9% lower than the budgeted estimates of Rs 108.5 billion.

Table 10.1: Revenue Collections							
TAX	2020/2021 Actual (Rs m) A	2021/2022 Actual (Rs m) B	B/A	2021/2022 Projected (Rs m) C	B/C	2021/2022 Revised (Rs m) D	B/D
Corporate Tax	11,776	16,484	40.0%	15,018	9.8%	16,050	2.7%
Personal Income Tax	11,560	13,999	21.1%	13,000	7.7%	13,785	1.6%
Tax Deducted at Source	1,821	2,180	19.7%	1,882	15.8%	2,090	4.3%
Value-Added Tax	28,579	38,266	33.9%	39,528	-3.2%	38,065	0.5%
Customs duties	1,180	1,528	29.5%	1,500	1.9%	1,595	-4.2%
Excise duties	18,680	20,144	7.8%	22,170	-9.1%	20,570	-2.1%
Taxes on Gambling	1,774	1,930	8.8%	2,821	-31.6%	2,160	-10.6%
Passenger Fee	24	592	2366.7%	1,605	-63.1%	650	-8.9%
Special Levy on Banks	950	1,028	8.2%	1,100	-6.5%	1,000	2.8%
Special Levy on Telecommunication	157	148	-5.7%	500	-70.4%	150	-1.3%
COVID Levy	1,439	1,217	-15.4%	1,000	21.7%	1,350	-9.9%
Environment Protection Fee	89	326	266.3%	372	-12.4%	318	2.5%
Advertising Structure Fee	46	35	-23.9%	54	-35.2%	54	-35.2%
Social contributions (CSG)	6,555	8,349	27.4%	7,800	7.0%	8,655	-3.5%
Miscellaneous ²	252	274	8.7%	172	59.3%	171	60.2%
Total to Consolidated Fund	84,882	106,500	25.5%	108,522	-1.9%	106,663	-0.2%
Other Social Security Contributions	3,166	4,714	48.9%				
Other Agency Tax collections	1,332	1,399	5.0%				
Total MRA Revenue Collections	89,380	112,613	26.0%				

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

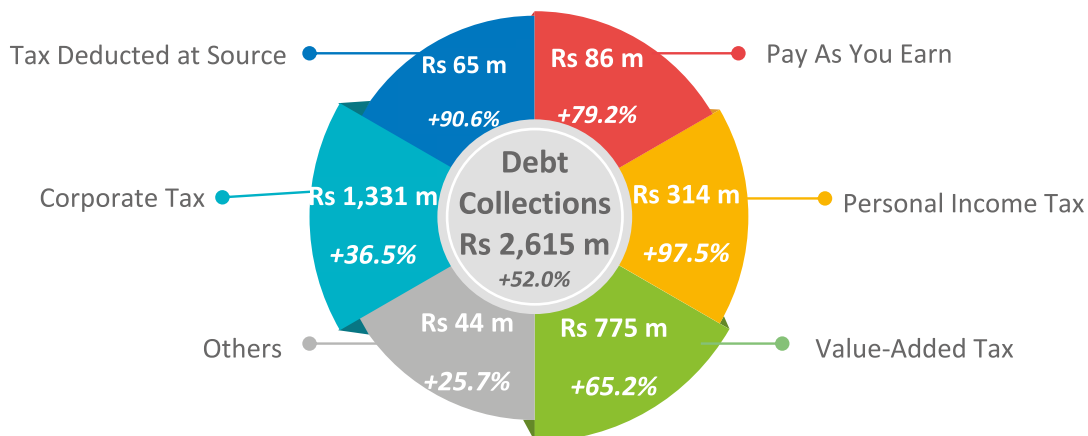
2 Includes collections from Licences, Customs & Excise Fees and Fines, Miscellaneous Customs, Passenger Solidarity Fee, Processing Fee, Tax Residency Certificates and tax rulings, Revenue from Excise Stamps

10.1.1. Our performance in FY 2021/22

10.1.1.1. Debt Collection

Debt collections closed at Rs 2.6 billion in June 2022, i.e., roughly Rs 900 million more than the preceding year's receipts. Total arrears collection in FY 2021/22 has surpassed the full year tax debt collections of both FY 2019/20 and FY 2020/21. The MRA has employed a number of methods to collect debt, ranging from friendly reminders to taxpayers and offers of instalment plans to wage garnishment. The surge in arrears receipts was driven by improved recovery from all main taxes namely corporate tax, VAT, personal income tax/PAYE as well as Tax deducted at Source.

Chart 10.2: Debt Collection

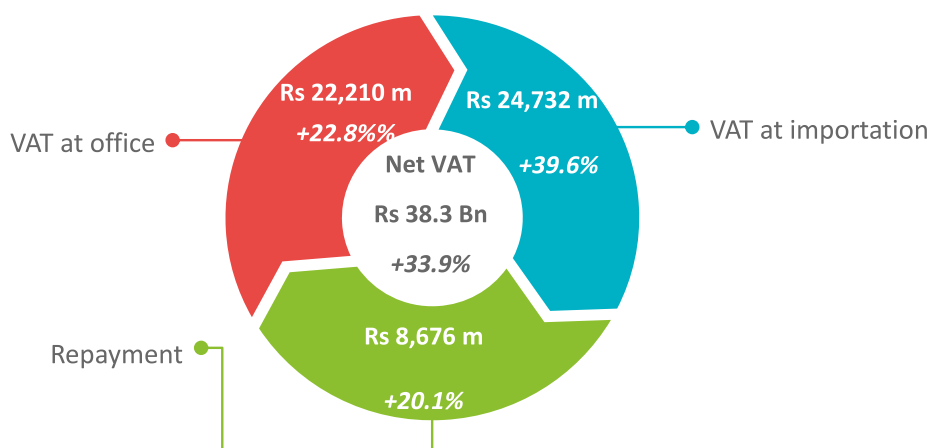


10.1.1.2. Value Added Tax

Net **VAT** collections in FY 2021/22 amounting to Rs 38,266 million were up by 33.9% over the previous year. Receipts exceeded revised estimates by Rs 201 million but were 3.2% short of initial projections. VAT proceeds as at June 2022 were Rs 10 million above FY 2020/21's receipts and were roughly Rs 3.3 billion more than the amount registered in FY 2018/19, the normal year free of COVID-19 pandemic impact.

The most significant outturn in VAT was on account of the accommodation and food service activities following the reopening of borders on 1st October 2021. During the pre-pandemic period November 2018 to June 2019, a total of Rs 3.7 billion VAT was estimated to have been sourced from the tourism sector. Thereafter, collections slashed down to Rs 492 million in November 2020 to June 2021 to then attain Rs 2.9 billion during November 2021 to June 2022, i.e., nearing 80.0% of corresponding VAT reported in FY 2018/19.

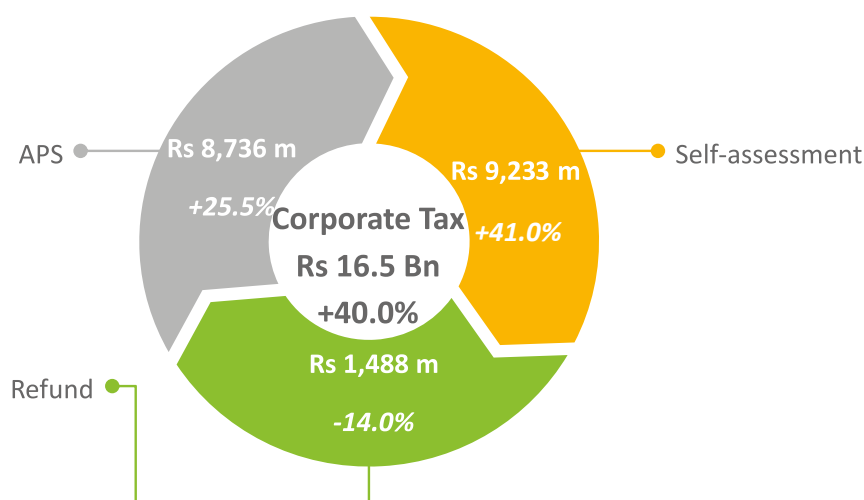
Chart 10.3: Net VAT Collection



10.1.1.3. Corporate Tax

Net **Corporate tax** collections in FY 2021/22 amounted to Rs 16.5 billion, 40.0% more than preceding year's collections, outdid the initial projections by 9.8% and were Rs 434 million above revised estimates. Growth was driven by 39.0% increase in self-assessment collections, 25.5% increase in APS receipts as well as lower refunds of 14.0%. Relatively marked increase was noted within the global business sector while trading, construction, other financial and insurance, and real estate activities held well during the year under review.

Chart 10.4: Net Corporate Tax Collection

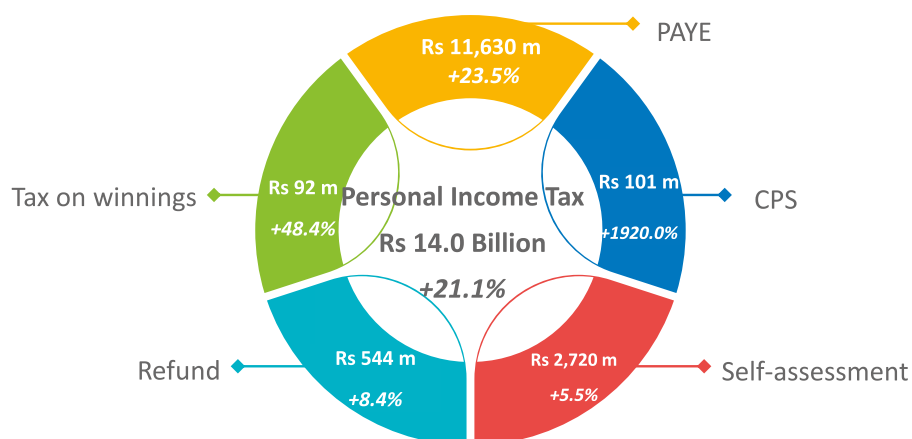


10.1.1.4. Personal Income Tax

Personal Income Tax collections were to the tune of Rs 14 billion in FY 2021/22, i.e., up by 21.1% over same period last year. Collections transcended initial projections as well as revised estimates by 7.7% and 1.6% respectively.

The hike in receipts was led by three factors; firstly, increased monthly solidarity levy payments remitted under PAYE, and secondly, higher PAYE collections from the government following the implementation of the 2021 PRB report. Thirdly, with the exception of the insurance sector, all other main sectors registered a growth in PAYE remittances exceeding 11%.

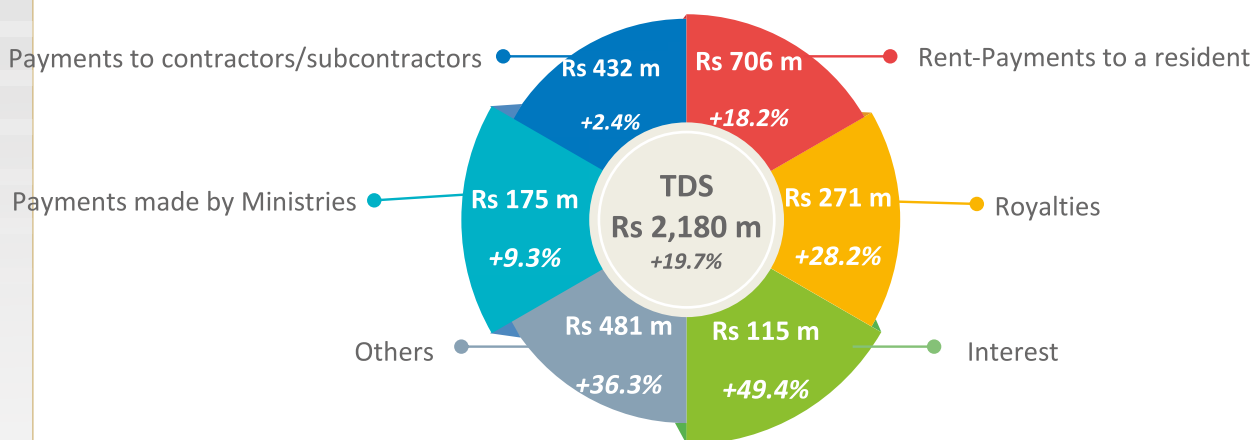
Chart 10.5: Personal Income Tax



10.1.1.5. Tax Deducted at Source

A total of Rs 2,180 million of **Tax Deducted at Source (TDS)** was collected, 19.7% more than corresponding collections in FY 2020/21 and were 15.8% above initial projections. Higher receipts were noted for rental payments to residents, royalties, interest and payments made to attorneys/solicitors, barristers and legal consultants among few others. On the other hand, fall was observed in respect of payments effected to non-resident for services rendered in Mauritius as well as to architects, engineers, land surveyors, project managers, property valuers and quantity surveyors.

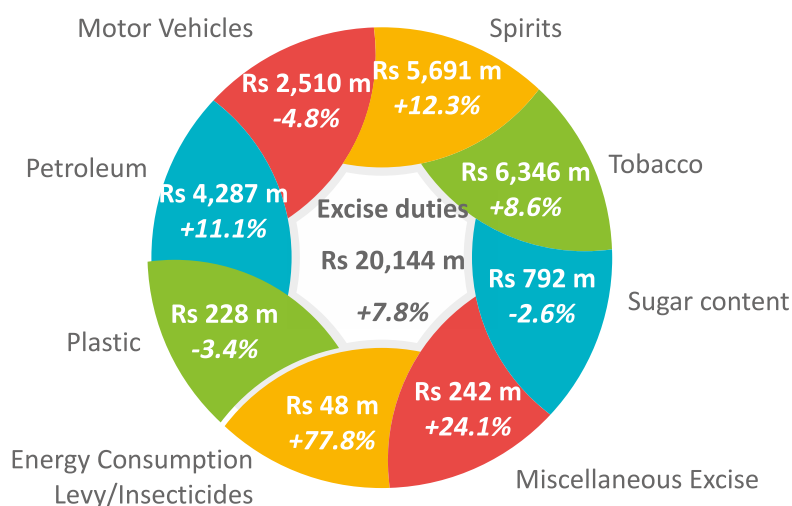
Chart 10.6: Tax Deducted at Source



10.1.1.6. Excise Collections

Excise Collections of Rs 20 billion for the FY 2021/22 grew by 7.8% but were 9.8% below the budgeted estimates set at Rs 22 billion. The shortfall within the “Motor Vehicles & Motor Cycles” excisable item was triggered by the consequential rebate of 40% on the amount of customs/excise duty payable on motor vehicles as well as the one-time concession up to Rs 150,000 of the excise duty payable on the acquisition of a motor car by public officers.

Chart 10.7: Excise Duties



10.1.1.7. Taxes on Gambling

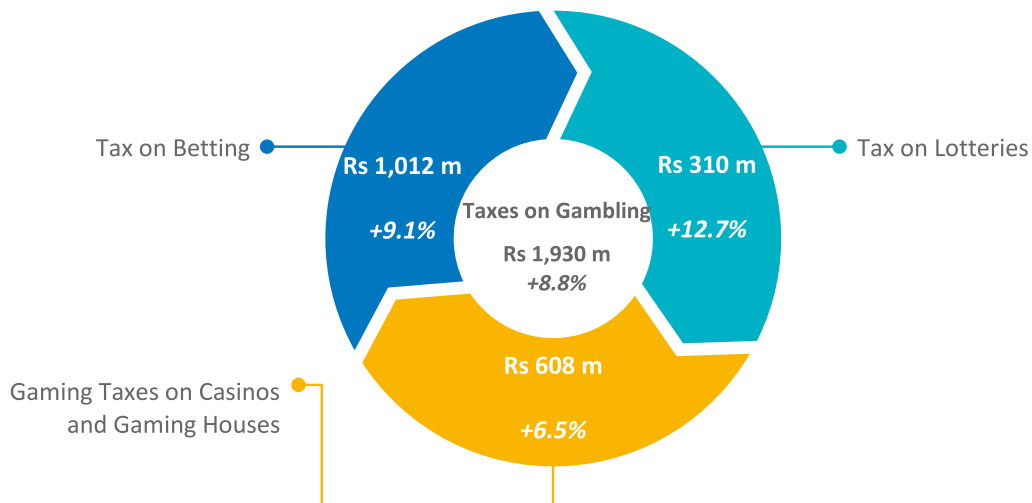
Collections under **gambling taxes** amounted to Rs 1,930 million from July 2021 to June 2022, i.e., Rs 156 million more than preceding year's collection but were 31.6% short of the projected estimates set at Rs 2,821 million.

The national lottery operator contributed Rs 468 million for the "lotto" in FY 2021/22, half of which was transferred to the Lotto Fund. Moreover, it remitted Rs 64 million in respect of Lottery Vert and an additional Rs 25 million to the lotto special draw.

Betting taxes rose by 9.0% but were however 19.0% below the revised estimates of Rs 1,250 million and failed to meet the budgeted estimates of Rs 1,500 million by 32.5%. Tax on Horse Racing declined by 23.6% as compared to the same period last year primarily due to the fact that the local horse racing season in FY 2021/22 only begun in the first week of June 2022.

As regards gaming taxes, all operators in Mauritius were barred from operation due to COVID-19 related restrictions till 30 September 2021, except for Gaming house coin operated machines located in Rodrigues. As the sanitary restrictions have been relaxed as from 1st October 2021, gaming collections for the months of November 2021 to June 2022 were to the tune of Rs 608 million up by 6.5% over FY 2020/21.

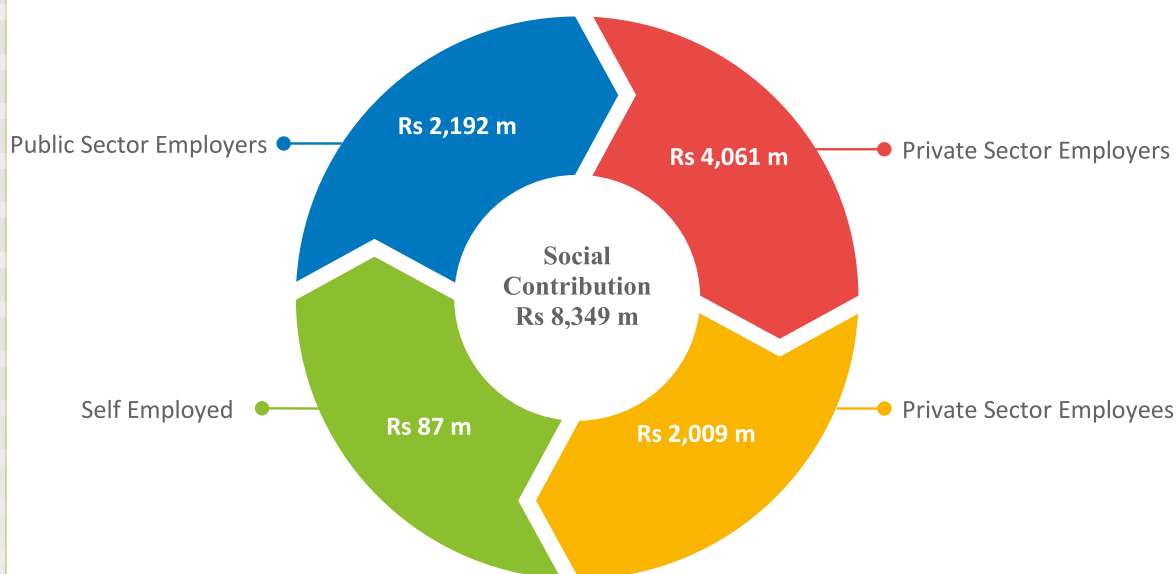
Chart 10.8: Taxes on Gambling



10.1.1.8. Social Contribution (CSG)

By virtue of the Finance (Miscellaneous Provisions) Act 2020 that amended the National Pensions Act, contributions to the National Pension Fund (NPF) ceased from 1 September 2020 and were replaced by the Contribution Sociale Généralisée (CSG). Thereafter, the Social Contribution and Social Benefits Act, enacted on 30 July 2021 repealed the Contribution Sociale Généralisée Regulations 2020 and further amended the National Pensions Act. Whereas the NPF contributions were paid into a specific fund, the CSG payments are currently credited to the Government's Consolidated Fund. Collections under the **social contribution (CSG)** of Rs 8,349 million were 7.0% above budgeted estimates set at Rs 7.8 billion.

Chart 10.9: Social Contribution



10.1.1.9. Other Taxes & Fees

The travel and tourism industry is one of the most hardest-hit productive sectors and its downfall impacted the usual sources of government's revenues through both direct and indirect taxation. A significant portion of the tourism value added generated in the domestic economy emanates from the breadth and depth linkages between tourism and other sectors. In terms of taxes, the VAT, Passenger Fees as well as the Environment Protection Fees are the main taxes which bore the brunt of the health pandemic.

As travel restrictions were lifted and the Mauritian border was re-opened in FY 2021/22, collections under **Passenger Fees** rose to Rs 592 million, 25 times more than amount reported in the previous year. Yet, the fees were still 63.1% short of initial projections.

In the same line, **Environment Protection Fees** of Rs 326 million were 12.4% below forecasts set at Rs 372 million but exceeded revised estimates by Rs 8 million. Share of hotels and guest houses increased from Rs 14 million to Rs 238 million.

Receipts under **Special Levy on Banks** of Rs 1,028 million grew by 8.2% but failed to meet the projected estimates by Rs 72 million.

Special Levy on Telecommunication amounted to Rs 148 million down by 5.7% and were Rs 352 million below anticipated amount of Rs 500 million.

Every employer having benefited from the Wage Assistance Scheme (GWAS) in an income year has a requirement to declare the **Covid Levy** in the income tax return and pay it on or before the due date for the submission of the return. The levy, is in essence, a reimbursement of the first year GWAS paid to profitable businesses. A total of Rs 1.2 billion of levy was collected in FY 2021/22, down from Rs 1.4 billion in FY 2020/21. Collections were however 21.7% above budgeted estimates of Rs 1 billion.

A total of Rs 926 million was contributed to the **National CSR Foundation** in FY 2021/22 of which Rs 451 million was received under quarterly statements (APS), Rs 449 million with yearly self-assessment returns and the remaining Rs 26 million was paid by Sociétés. Receipts were down by 11.0% as compared to preceding year on account of lower contribution made by local companies, particularly the Professional, Scientific and Technical Activities, Trading, Transportation and Storage and the hotel sectors.

As regards the **Responsible Gambling and Capacity Building Fund levy**, paid by betting and gambling operators, a total of Rs 68 million was recorded in FY 2021/22, i.e., Rs 7 million more than the preceding year. Similarly, the share of Lotto proceeds of Rs 234 million transferred to the Lotto Fund increased by 7.9%.

During the FY 2021/22, the CIF Values of goods which were subject to **Customs duties** were up by 29.6% which resulted in a hike of 29.5% in Customs duties. Receipts amounting Rs 1,528 million exceeded the projected collections by 1.9%.

Receipts under **Advertising Structure Fee** dropped by 23.9% to reach Rs 35 million for the year and were also 35.2% below the budgetary projections.

Collections under the **National Pensions Fund (NPF)** which was replaced by the Social Contribution (CSG) as from the month of September 2020 pertained to arrears and amounted to Rs 76 million.

With regard to other social security contributions, collections under **National Savings Fund** rose by 8.3% while **HRDC Training Levy** grew by 52.9%.

Recycling fees of Rs 1.3 million obtained in FY 2021/22 pertained to arrears following the repeal of the Employment Rights Act 2008.

Following the enactment of the Workers' Rights (**Portable Retirement Gratuity Fund**) (Amendment) Regulations 2020, employers are required to submit, as from the month of January 2022, a monthly PRGF return and effect payment in respect of PRGF contributions to the Director-General of the MRA. In FY 2021/22, a total of Rs 817 million of PRGF - Portable Retirement Gratuity Fund and Rs 41 million PRGF - Past Services were collected.

During the year under review, a total of Rs 163,000 was received under **Coordinated Border Management fees**, payable to Ministries and agencies.

Collections of **Mauritius Sugar Syndicate fees** of Rs 145 million, obtained from operators declined by 8.3%.

Table 10.2: Other Fees and Levies collected by the MRA

Other Fees	2020/21 (Rsm)	2021/22 (Rsm)	Growth (%)
NPF - National Pensions Fund	1,307.8	76.3	-94.2%
NSF - National Savings Fund	2,302.2	2,493.1	8.3%
Levy - Training Levy	840.5	1,285.3	52.9%
RCF - Recycling Fee	0.6	1.3	116.7%
PRGF - Portable Retirement Gratuity Fund	22.8	817.0	3483.3%
PRGF - Past Services	0.5	41.3	8160.0%
Mauritius Sugar Syndicate	158.2	145.1	-8.3%
Coordinated Border Management (CBM)	0.1	0.2	113.3%
LOTTO FUND	216.9	233.9	7.8%
Lotto Special Draw	-	25.2	-
National CSR Foundation	896.3	926.4	3.4%
Responsible Gambling and Capacity Building Fund	60.5	68.0	12.4%

10.2. Income Support

The Government extended the **Wage Assistance Scheme (GWAS)** and the **Self-Employed Assistance Scheme (SEAS)** for the months of July 2021 till December 2021 for employers and self-employed individuals in the tourism sector in the islands of Mauritius and Rodrigues as well as operators of specific sectors which were not allowed to carry out their activities such as professional sports, horse racing bookmakers, nightclubs among few others.

In FY 2021/22, Rs 3,919 million of GWAS was disbursed to 2,203 employers in respect of 55,150 employees. In the same line, as at end of June 2022, 11,969 beneficiaries received a total of Rs 198 million under SEAS.

Negative Income Tax allowance (NITA) is a system whereby employees deriving basic salary not exceeding Rs 9,900 per month, receive monthly financial support from Government. In FY 2021/22, a total of Rs 51 million was paid to 23,299 eligible recipients.

Special Allowance (SPA) was implemented in January 2018 and as from January 2022, the allowance payable to a full time employee varies according to employment of migrant or local employees or employment in export or non-export enterprises. During the period under review, a total of Rs 367 million of Special Allowance was remitted to 70,095 persons.

Following Government's decision to provide financial support to Small and Medium Enterprises (SMEs) for the payment of **Salary Compensation** 2021 and 2022, the MRA refunded a total of Rs 80 million to 1,116 SMEs in respect of 43,284 employees.

In its endeavour to improve the purchasing power of consumers, the Government fixed the prices of certain essential commodities as from 12 July 2021 till end of June 2022. The responsibility to effect the payment of the **subsidy** was entrusted to the Mauritius Revenue Authority (MRA) and during the year under review a total of Rs 1,049 million was disbursed.

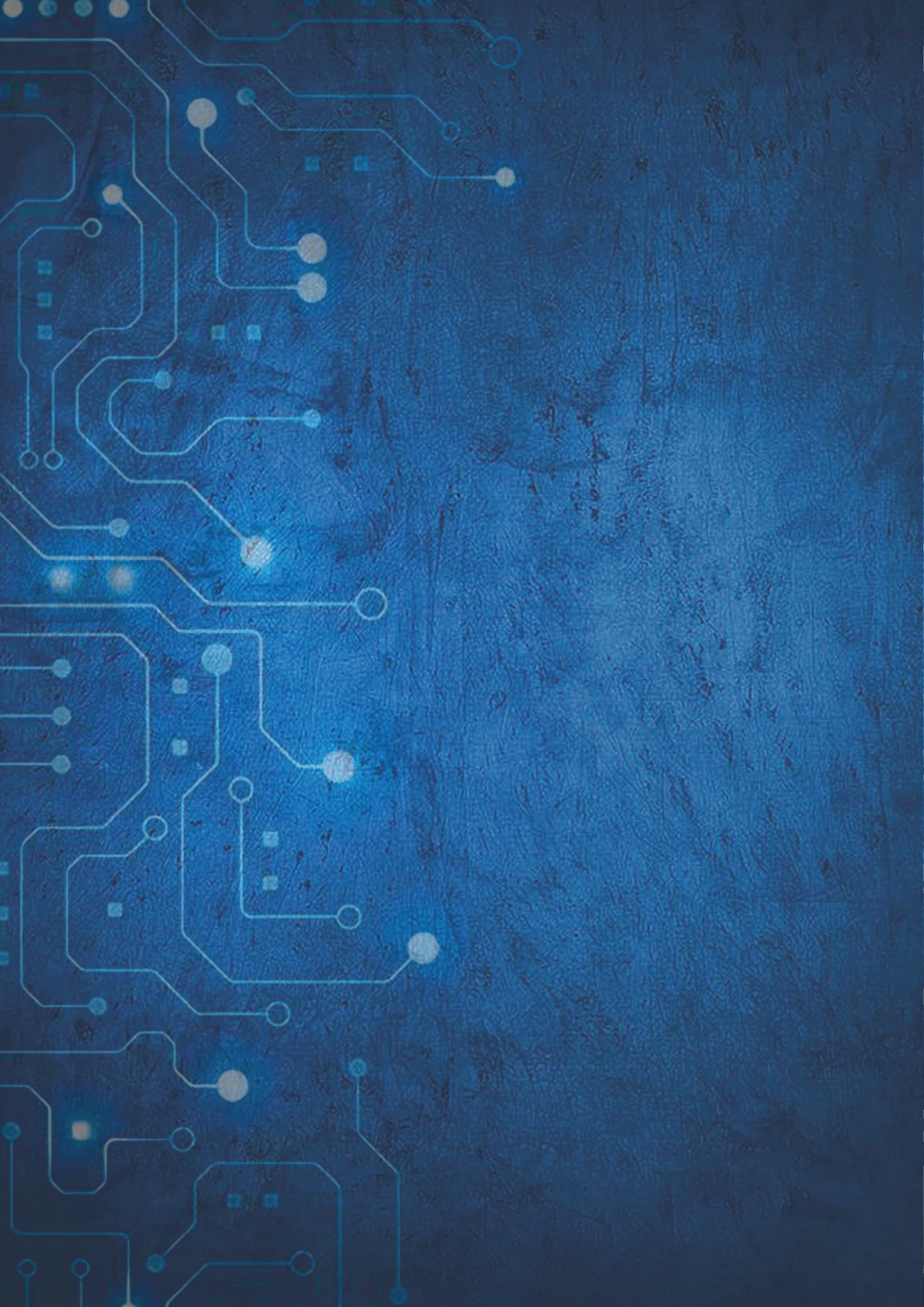
10.3. The Way Forward

According to the IMF's World Economic Outlook published in July 2022, the baseline forecast is for growth to slow from 6.1 percent in 2021 to 3.2 percent in 2022 and further to 2.9 percent in 2023. As per the Medium Term Macroeconomic Framework published in the National Budget, the economic growth estimate for FY 2021/22 was 6.9% and is projected to attain 8.5% in FY 2022/23.

On the revenue front, projections set for the new financial year 2022/23 are to the tune of Rs 126,519 million, that is, 18.8% more than the preceding year's collections. The estimates factored in the recovery in the tourism sector and the spill over effects thereof on other sectors leading to an anticipated collection of Rs 45.3 billion under VAT, 22.1% rise under corporate tax and 14.9% surge in respect of excise duties.

Table 10.3 depicts the expected FY 2022/23 receipts by tax type.

Table 10.3: Budgeted Collections for FY 2022/23			
Type of Revenue	Actual July 2021 - June 2022 (Rs m)	Projected July 2022 - June 2023 (Rs m)	Growth
Corporate Tax	16,484	20,125	22.1%
Income Tax	13,999	16,000	14.3%
Tax Deducted at Source	2,180	2,400	10.1%
Value-Added Tax	38,266	45,300	18.4%
Customs duties	1,528	1,830	19.8%
Excise duties	20,144	23,155	14.9%
Taxes on Gambling	1,930	2,825	46.4%
Passenger Fee	592	1,755	196.5%
Special Levy on Banks	1,028	1,305	26.9%
Special Levy on Telecommunication	148	350	136.5%
COVID-19 Levy	1,217	700	-42.5%
Environment Protection Fee	326	465	42.6%
Advertising Structure Fee	35	60	71.4%
Social contribution (CSG)	8,349	10,071	20.6%
Miscellaneous	274	178	-35.0%
Total to Consolidated Fund	106,500	126,519	18.8%



Don't get caught by the lure of Tax Evasion

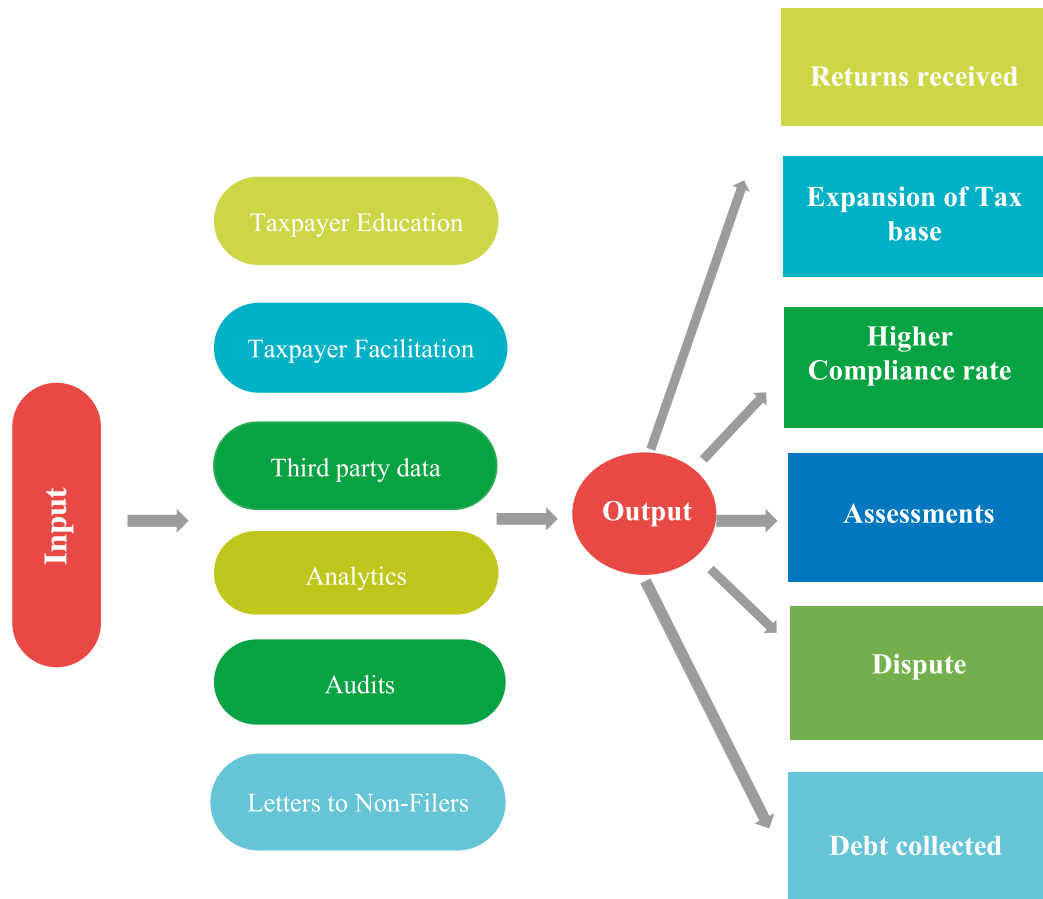


11. STRATEGIC OUTCOME: EASING TAX COMPLIANCE

Tax Compliance Statistics

Costs of collection 2.21% of Total Collections	New registration Individuals 43,872 Corporates 11,009 VAT 2,722	On-time filing Individuals 78% Companies: 72% VAT 85%	Tax Refund Income Tax: 67,487 processed VAT: 5,848 processed
Tax debts Debt Collections Rs 2,615m	Tax Audits Comprehensive 6,068 Issue based 5,552	Assessments Number 8,696 Amount assessed Rs 6,719 m	Investigations 708 completed Tax Yield Rs 1,358 m
Objections Determined cases: 1,961 Tax amount Rs 3,249.6 m	Prosecutions 19 cases lodged for prosecution	International cooperation 45 DTAs in force	Rodrigues Revenue collection Rs 102.2 m

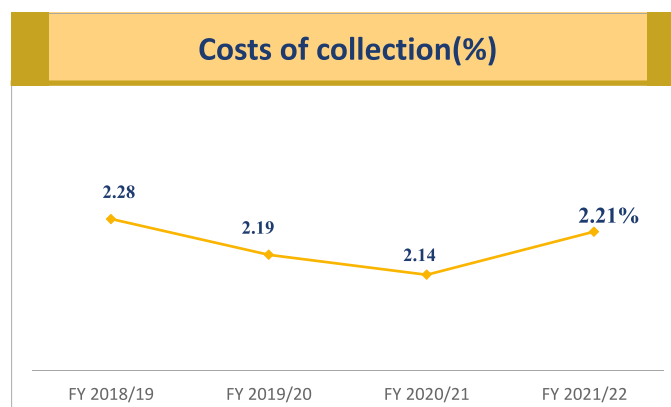
The MRA firmly believes in promoting voluntary compliance and a tax culture through a solid taxpayer education programme and by continuously enhancing the quality of the facilities it provides to taxpayers. Where voluntary compliance becomes elusive, then taxpayers operating outside the tax net are identified through third party data, intelligence, data analytic tools and other enforcement activities.



11.1. Cost of collection

The costs of compliance and collection costs are both of significant importance to the tax administration as a high cost is an indication of the inefficiency of the revenue administration or a need for reform in the tax administration structure.

During the FY 2021/22, the MRA tried to maintain its costs at a minimum by leveraging on new technology and analytical tools. The cost of collection for the year was at 2.21% of total collection.



11.2. Registration

A key to maximising revenue collection is to ensure that the taxpayer register is kept up to date. This consists of registering new taxpayers or existing taxpayers for additional tax types and deregistration of taxpayers having no longer any tax obligation. The execution of these activities covers all segments of taxpayers under the various tax heads.

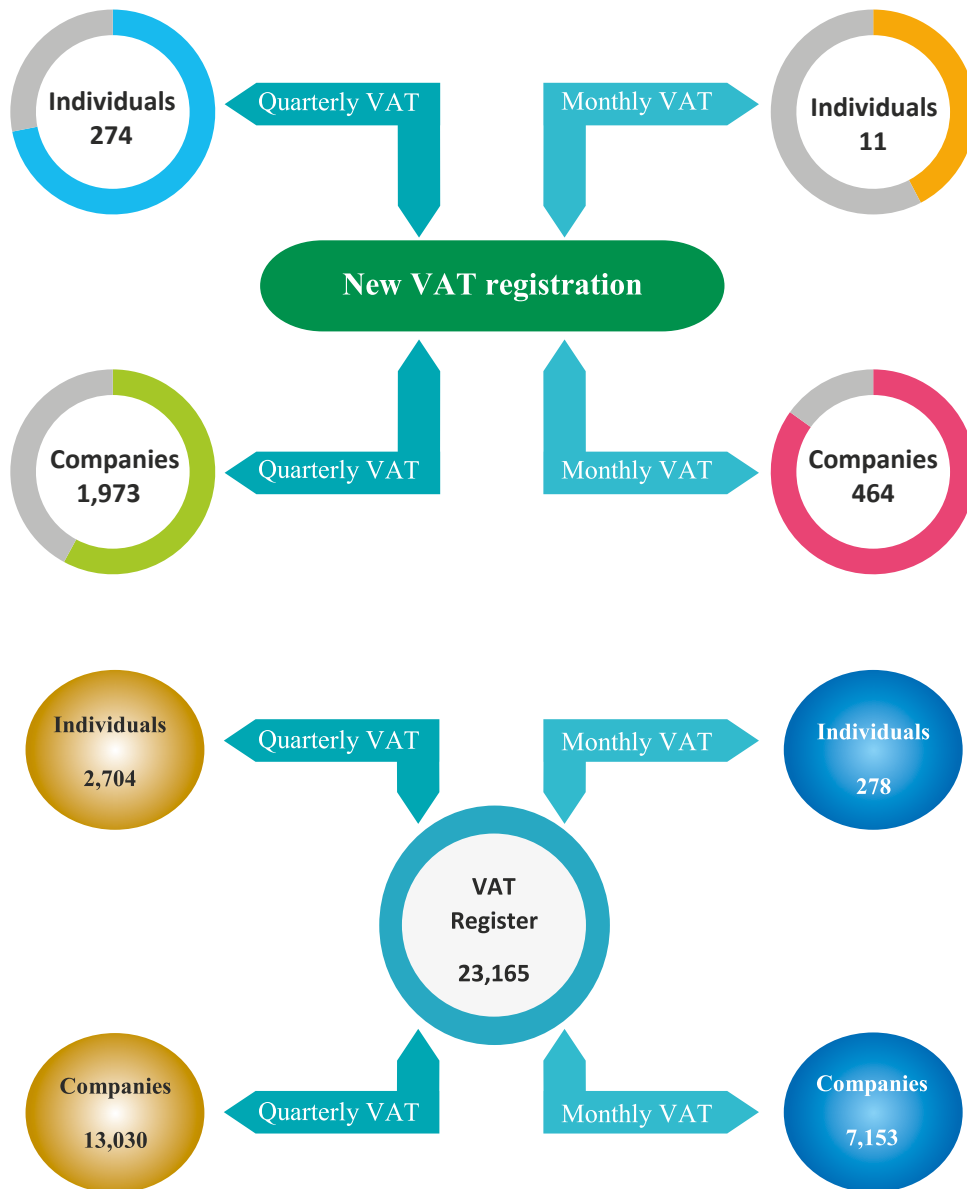
During the FY 2021/22, the MRA registered 55,430 new taxpayers under Income Tax and 2,722 under VAT. This was partly on account of its data matching exercise from third party sources whereby 18,695 new taxpayers were identified.

11.2.1. Income Tax Register

		New registration	Number on register-30.06.2022
Companies	→	11,009	81,751
Société	→	135	5,997
Successions	→	37	2,547
Trusts	→	377	1,261
Salary Earners	→	39,027	450,235
Self-employed	→	4,845	74,565

11.2.2. VAT Register

The number of persons registered for VAT was 23,165 as at 30 June 2022, representing a growth of 6% from corresponding previous period. Amongst the 23,165 VAT payers, 87% were companies and 13% individuals.



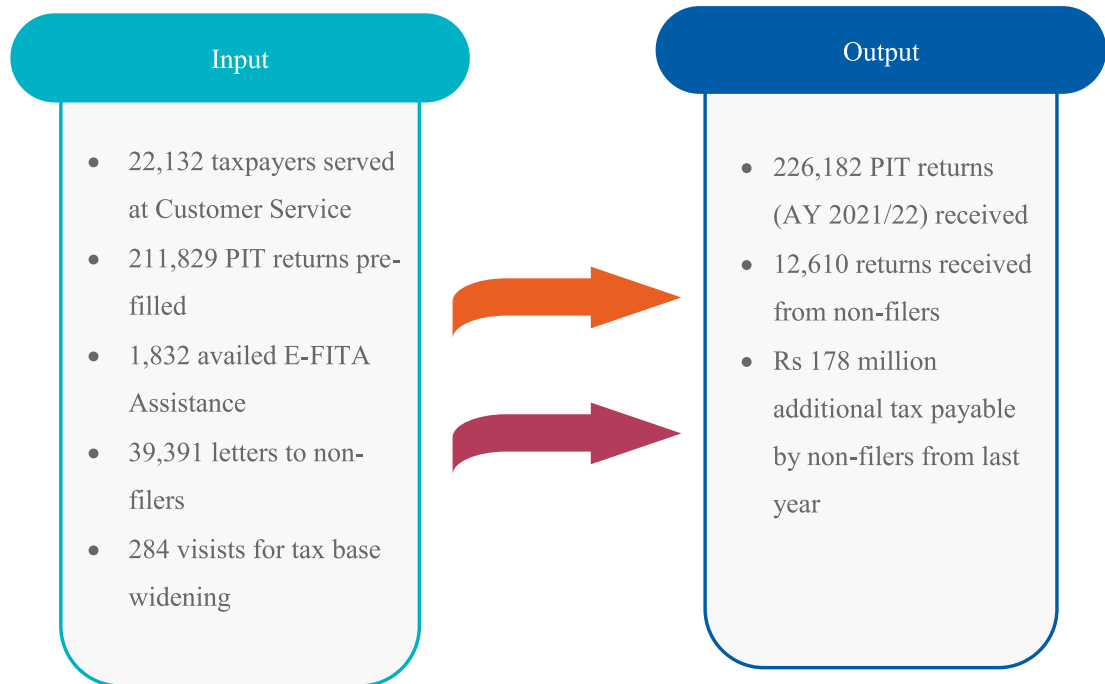
11.2.3. Other Register

PAYE Employer On register 44,077 New registration: 4,478	Environment Protection Fee On register 388 New registration 24	Advertising Structure Fee On register 1,305 New registration 23	Gambling On register 208 New registration 5
---	---	--	--

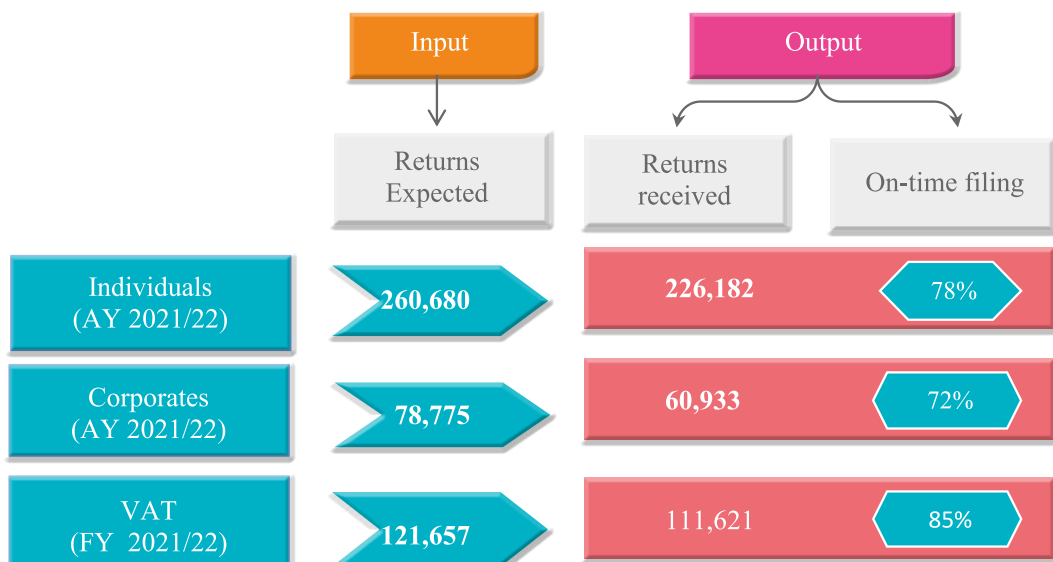
11.3. Filing of returns

In order to make tax compliance easier, the MRA has been providing pre-filled tax returns to individual taxpayers. This has been made possible with the huge collection of data in electronic format from third parties and is considered an important innovation for an effective processing of tax returns,

11.3.1. Filing compliance rate



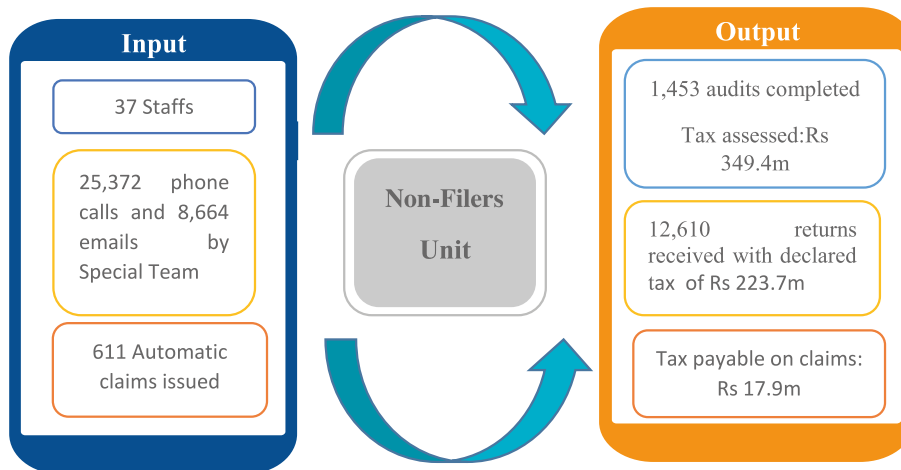
Our tax legislations provide for the different dates within which a person has to file a tax return and every person who fails to submit a return is liable to pay a penalty of Rs 2,000 per month until the time the return is submitted. When returns are filed on-time, it not only shows the effectiveness of the health of the tax system but also the performance of the tax administration.



With the tax administration relentless efforts in easing tax compliance through enhanced e- tax filing tax processes, it is noted that VAT taxpayers have been more compliant in filing their tax returns with 92% of the 121,627 expected returns received by the MRA. This was followed by individuals where 87% of expected returns were filed.

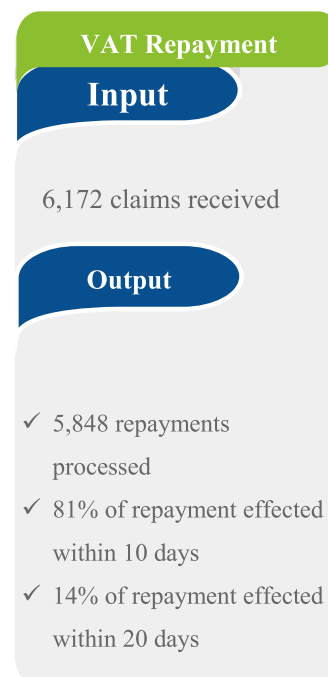
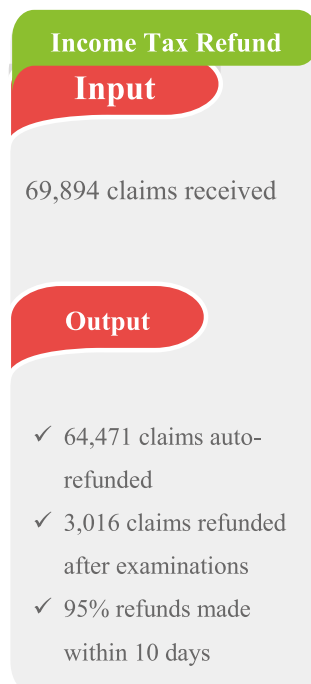
11.3.2. Non-filers

The MRA has brought e-filing as well as different type of support/assistance including e-FITA at the door step of taxpayers to facilitate the filing of their tax return. Yet, there are still some who do not avail of these facilities by not fulfilling their filing obligation. Such category of taxpayers is dealt with by the MRA Non-Filers Unit which intervenes through various enforcement actions. In December 2021, a special team of 7 support officers further joined the Unit with a view to tackle non-filers in respect of VAT, Corporate Tax, Individual Income Tax and Société.

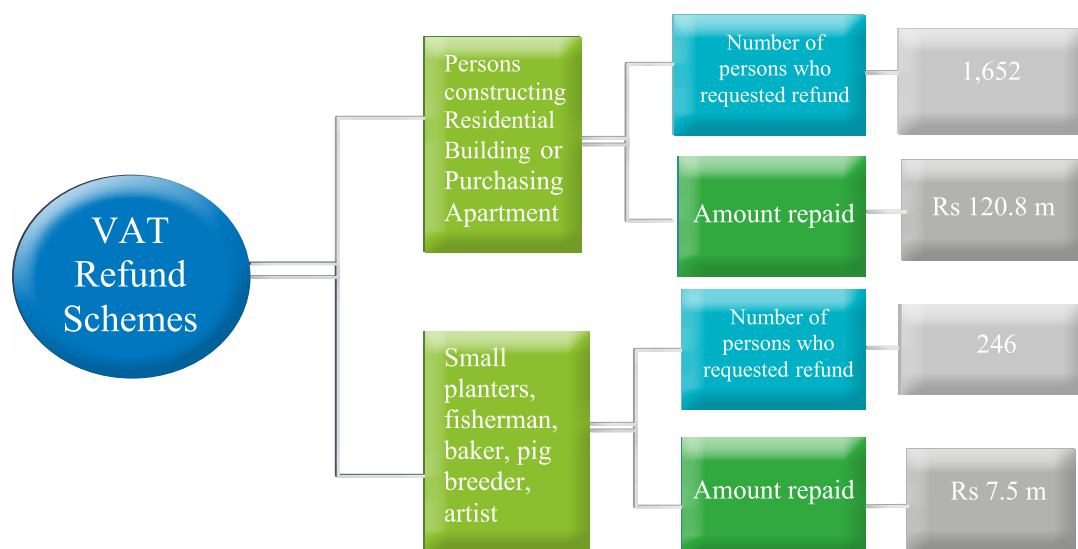


11.4. Income Tax Refund and VAT Repayment

Taxes paid in excess represent a cost to taxpayers and this cost is mostly felt by taxpayers facing cash flow problem. To alleviate the burden of such cost on taxpayers, the MRA has been expeditiously making refunds to taxpayers having made a claim in their respective tax returns.

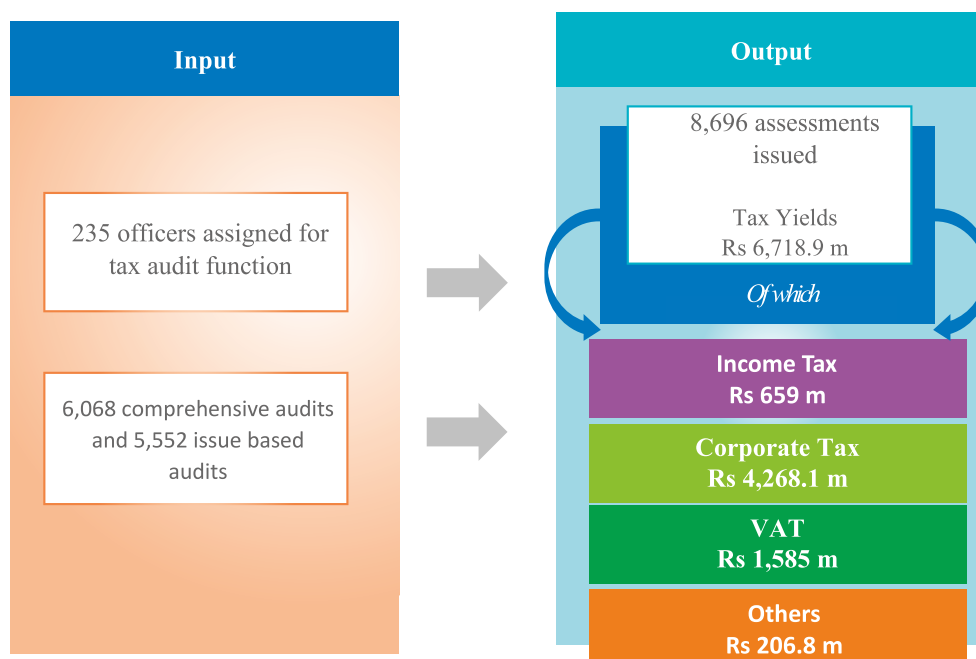


11.4.1. VAT Refund Schemes



11.5. Audit Outcome

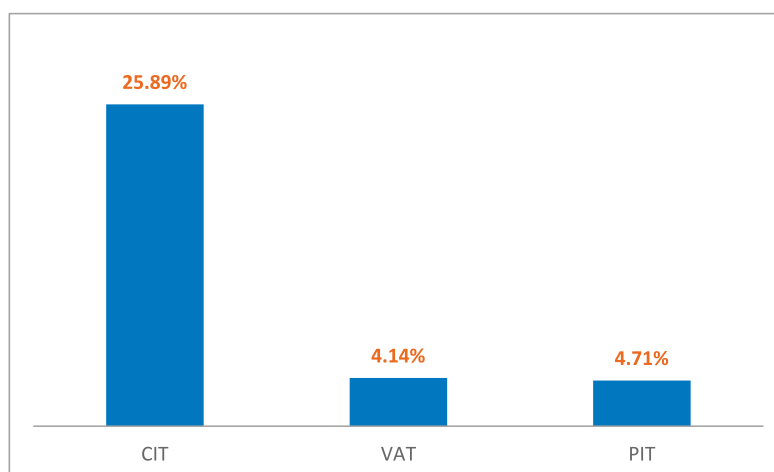
The audit and investigation function of the MRA ascertain the accuracy and completeness of information reported in tax returns by taxpayers. This is undertaken by conducting desk, field or comprehensive audit as well as through electronic checks through the matching of taxpayer information on return with third party data. The tax administration has also put in place a Risk-Based Audit Selection System which identifies the most risky returns or non-compliant taxpayers for audit.



The efficiency of audit can be further assessed in terms of tax yields as a share of total revenue collections. For the year under review, additional tax yields from audits were at 6.3% of total revenue collections.

Chart 11.1 shows the ratio of additional assessments raised by type of tax to the respective tax collection.

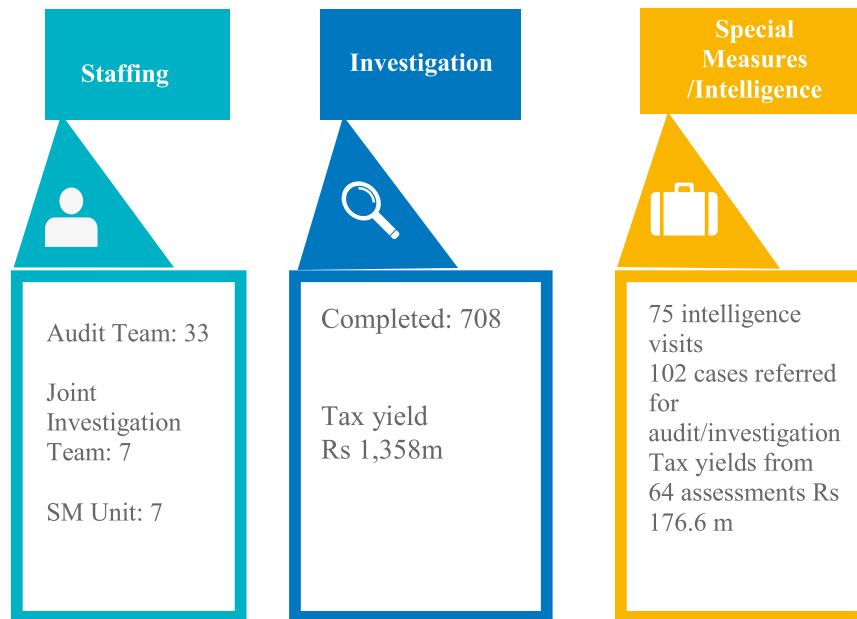
Chart 11.1: Additional assessments raised through audit as percentage of tax collected by tax type - FY 2021/22



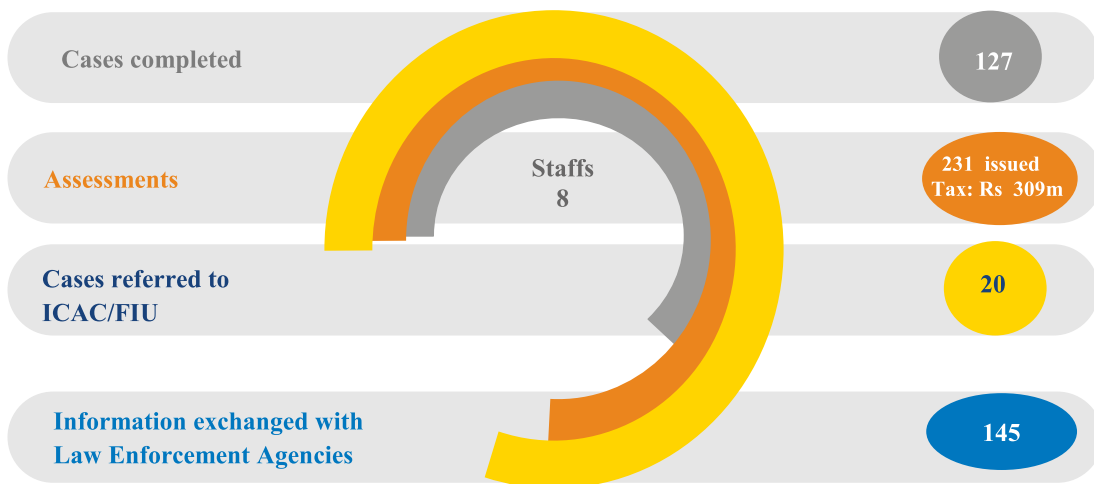
On average, CIT additional assessment raised as a percentage of CIT collected is almost six times more than the percentage for VAT and PIT.

11.6. Investigation Outcome

The Fiscal Investigation Department (FID) of the MRA is responsible for investigating into potential cases of tax evasion, collecting evidence relative to these cases, raising assessments and recommending prosecution for certain types of offences. The AML/CFT Unit set up within the Department also identifies cases of tax evasion which constitutes a predicate offence to money laundering.



11.6.1. Achievements of AML/CFT Unit



11.7. High Networth Individuals Tax Compliance

In line with its targeted compliance risk management approach, the MRA has its High Networth Individuals Unit (HNWIs) which monitors the tax compliance of HNWIs. For the year under review, the Unit through its audit interventions completed 60 audits and raised additional assessments with a tax yield of Rs 19.4m.



HNWIs on Register 2,750

New registration 454

Tax Yield from audit Rs 19.4 m

11.8. Objections and Appeals outcome

Taxpayers represent the main stakeholder for the Authority and their right and obligations are clearly spelt out in a Taxpayer's Charter available on the MRA website. Our tax legislations also provide for suitable mechanism through which a taxpayer may challenge an assessment and claim issued by the tax administration.

The MRA has an internal review mechanism in place whereby its Objections, Appeals and Dispute Resolutions (OADR) Department handles all objection cases lodged by taxpayers. A taxpayer who still feels aggrieved by the determination of the objection, may seek further review at the level of Assessment Review Committee.

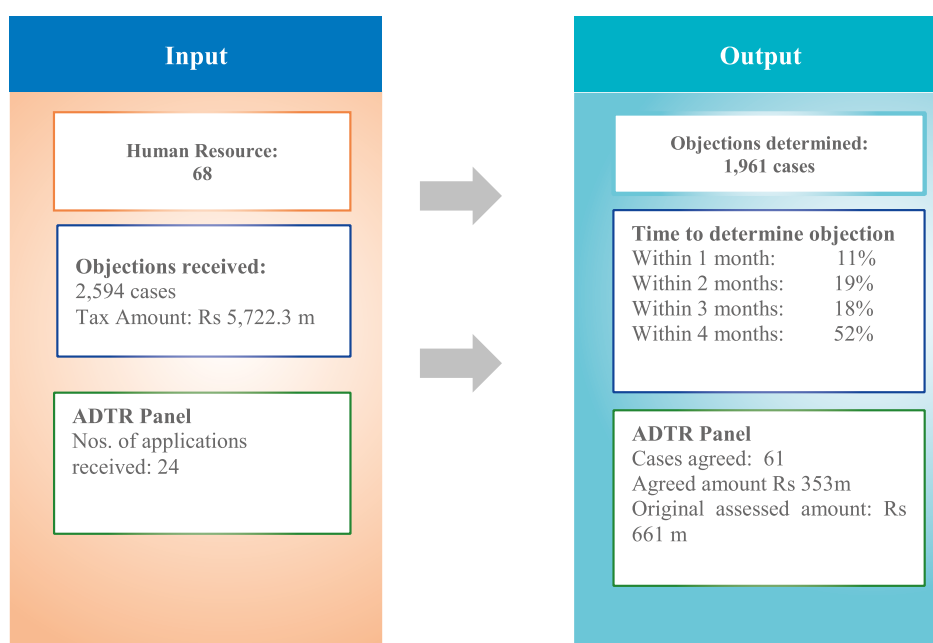


Table 11.1: Status of Objections and Appeal, FY 2021/22

Details	Objections		ARC		Supreme Court	
	Nos	Amount (Rs m)	Nos	Amount (Rs m)	Nos	Amount (Rs m)
Cases as at 01 July 2021	208	98.9	2,248	21,745.5	46	271.0
Cases received	2,594	5,722.2	1,028	3,122.7	12	29.2
Cases determined	1,961	3,249.5	1,020	2,169.7	22	105.7
Cases as at 30 June 2022	841	2,571.6	2,256	22,698.5	36	194.3

11.9. Prosecution

Taxpayer committing serious offences in relation to fiscal non-compliance may be subject to prosecution action by the MRA's Legal Service Department. To induce voluntary compliance it is now a practice for the Authority to publish the prosecution results under the various tax heads. During the FY 2021/22, there were 19 cases lodged for prosecution, i.e. 13 more cases from previous year.

	New Prosecution cases lodged during the year		Cases where Court decisions given		Prosecution cases as at 30 June 2022	
	Nos.	Amount (Rs)	Nos.	Amount (Rs)	Nos.	Amount (Rs)
VAT	5	95,000	4	12,376,722	10	17,295,946
Income Tax	11	-	9	7,697,146	8	8,138,355
Excise	-	-	1	-	1	-
Customs	3	177,154	1	-	4	390,525

11.9.1. Conviction

For the year under review, the Court convicted 15 taxpayers of which 4 were companies and 11 individuals.

Convicted by Court

Number of Companies

4

Number of Individuals

11

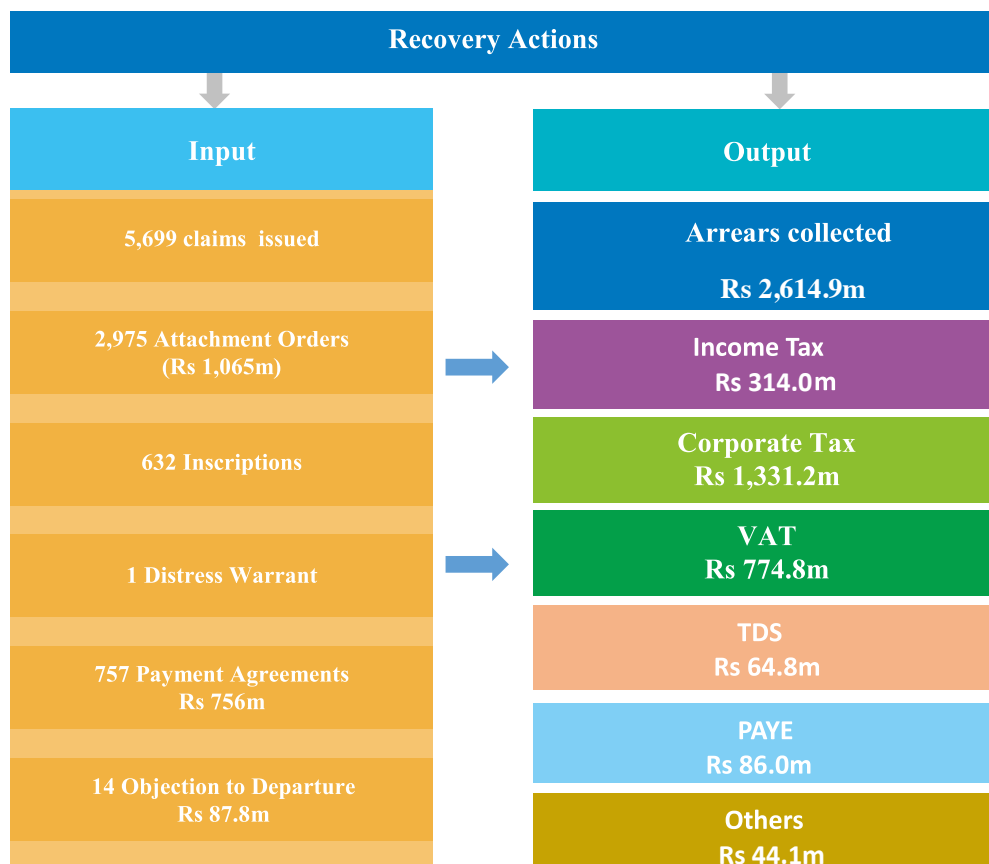


Table 11.2: Persons prosecuted by types of offences

Nature of offences	Number
Customs & Excise offences (false entry, failure to declare, wrong classification, false certificate etc.)	5
Failure to pay tax, issue receipt, keep record, display certificate under the VAT Act	8
Failure to pay income tax	3
Trading without licence under the Excise Act	2
Failure to furnish information and particulars (Income Tax/ VAT)	12
Failure to produce books and records (Income Tax)	1
Failure to submit return (Income Tax/ VAT)	7

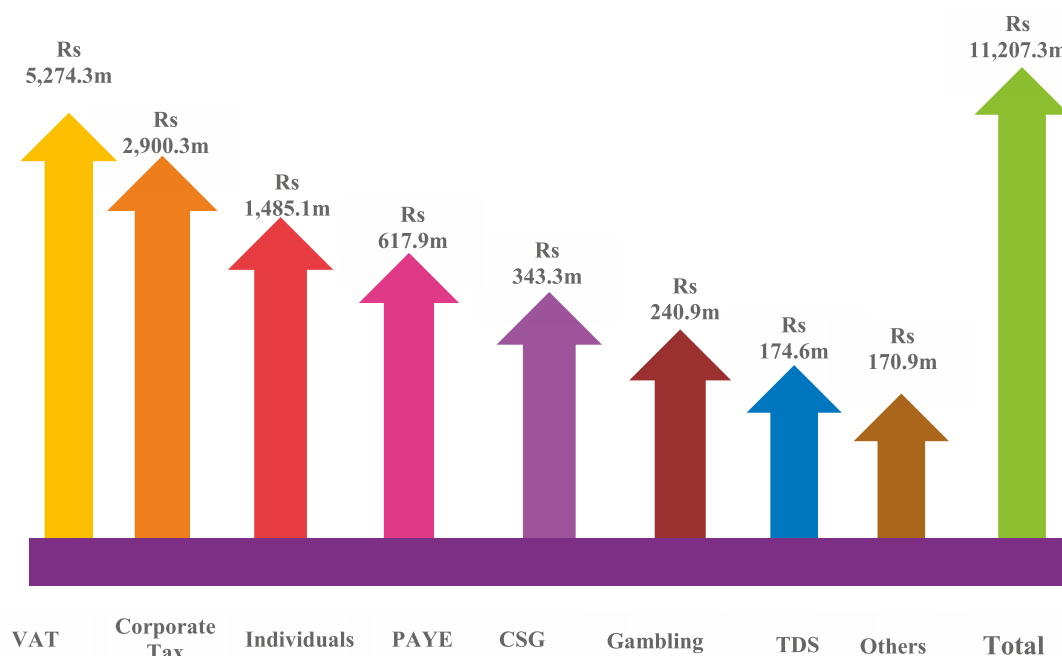
11.10. Debt Management Outcome

The effective and efficient management of tax arrears collection function is important in maintaining high levels of voluntary compliance and taxpayers' confidence in our tax system. In pursuit of this function, the legislative framework provides the MRA with powers for enforcing actions against delinquent tax debtors. Our Debt Management Unit manned with 48 staffs takes enforcement actions against indebted taxpayers as well as adopts a taxpayer service approach to support taxpayers in settling their tax debts through installments where appropriate.



11.10.1. Collectible Debt performance

The total amount of collectible debt, including CSG, stood at Rs 11,207.3 million at end of FY 2021/22 and was 4.3% higher than the corresponding previous year. This was mostly triggered by the 15% increase noted in VAT collectible debt.



By digging further into the amount of collectible tax arrears by main tax types (Table 11.3), it is found that individuals are more likely to pay on time than businesses. While, the ratio of PIT debt to net PIT collection is around 11%, the ratio of corporate income tax (CIT) arrears to CIT net revenue collected and the ratio for value added taxes (VAT) debt to net VAT collection are at 17.5% and 13.8% respectively. As expected, the ratio for PAYE is also low at 5.3%, given that an employer has no right over the amount of tax withheld and has an obligation to remit same to the tax authority.

Table 11.3: Ratio of year-end collectible tax debt to revenue collected by tax type

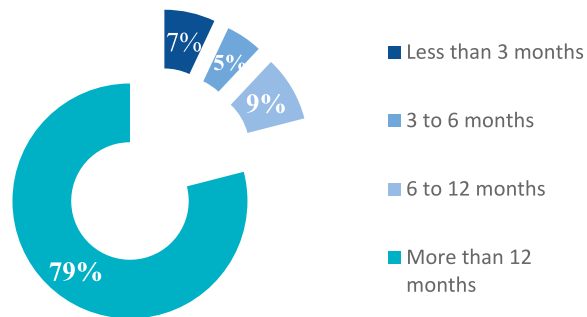
Details	Ratio
PIT debt as a percentage of PIT collected	10.6%
CIT debt as a percentage of CIT collected	17.5%
VAT debt as a percentage of VAT collected	13.8%
PAYE debt as a percentage of PIT collected	5.3%

11.10.2. Tax Arrears Settlement Scheme

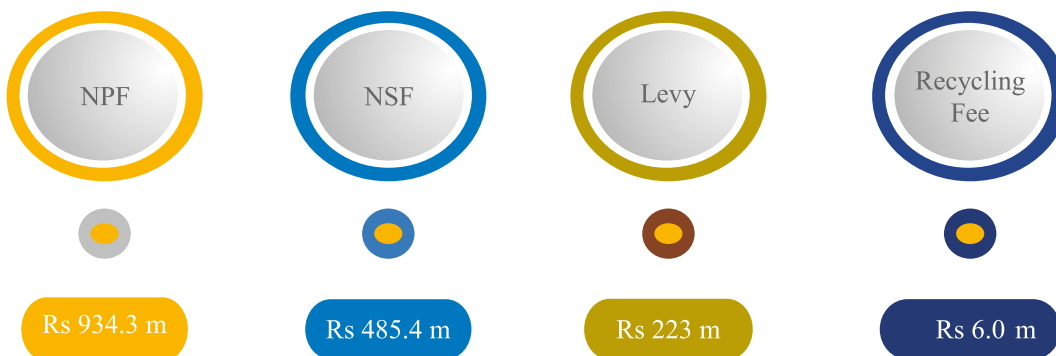
Table 11.4: Tax Arrears Settlement Scheme							
	Income Tax	Corporate Tax	VAT	PAYE	TDS	Gaming	Total
Number of cases	622	918	607	522	260	10	2,939
Tax Debt under commitment (Rs Million)	50.7	161.5	229.1	11.9	3.2	16.0	472.4

11.10.3. Age Analysis-Tax debt

Age analysis

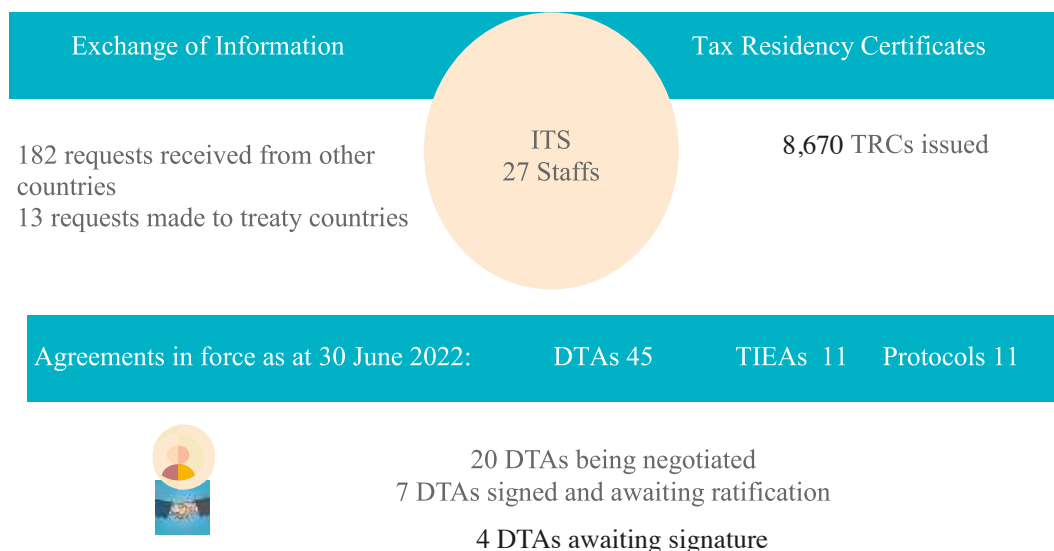


11.10.4. Social Security Contribution Arrears



11.11. Partnering with international stakeholders

During the FY 2021/22, the MRA through its International Taxation Section (ITS) pursued with its efforts in extending the Mauritius network of Double Taxation Agreements (DTAs) to promote cross border investment and to avoid the taxation of same income twice.



11.11.1. BEPS

Action 1

The global minimum tax is expected to come into effect as from January 2023 and amendments to be made to the Income Tax Act were proposed so that regulations may be made for the introduction of the global minimum tax.



Action 5

During the November 2021 FHTP meeting, two new tax regimes were subject to review by the FHTP namely Trusts and Foundations. The FHTP concluded that there were no concerns with regards to these preferential tax regimes as they meet FHTP's criteria.

Action 15

As at 30 June 2022, out of the 16 synthesized texts prepared and exchanged with our treaty partners, 14 of them have been finalized and published on the website of the MRA

11.11.2. International Publication

The MRA has been collaborating with international partners such as the IMF, OECD and ATAF providing our tax statistics for their respective publications. These publications provide KPIs for various tax administrations worldwide and give an opportunity for the Authority to benchmark its performance with other countries.



11.12. MRA Rodrigues

The performance of the MRA Office in Rodrigues in terms of the key indicators is provided in Table 11.5.

Table 11.5: MRA Rodrigues performance – Some key indicators

	New Taxpayers Registered	Revenue collected	Number of Assessments issued	Amount Assessed
Income Tax	1,561	Rs 27.3 m	96	Rs 17.5 m
VAT	9	Rs 33.5 m	9	Rs 13.4 m
Employers (PAYE)	37	Rs 41.4 m	-	-

Annex A - Overview of objection and appeal cases

Table 11.6: Status of objection cases, FY 2021/22

Details	Income Tax		VAT		Gambling & Others		Customs and Excise	
	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)
Objection at start of the Year	141	48.8	22	46.7	8	2.0	37	1.4
Cases Lodged	2,056	4,172.3	349	1,430.8	116	91.4	73	27.7
Cases Determined	1,523	2,179.0	261	1,008.7	75	41.6	102	20.2
Objection at year end	674	2,042.1	110	468.8	49	51.8	8	8.9

Table 11.7: Status of ARC cases, FY 2021/22

Details	Income Tax		VAT		Gambling & Others		Customs and Excise	
	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)
Cases pending at start of the Year	1,536	18,314.8	258	2,078..6	143	1,228.2	311	123.8
Cases Lodged	762	2,112.8	176	966.0	33	29.8	57	14.1
Cases Determined	820	1,669.6	139	472.1	24	13.2	37	14.8
Cases pending at year end	1,478	18,758.0	295	2,572.5	152	1,244.8	331	123.1

Table 11.8: Status of Supreme Court cases, FY 2021/22

Details	Income Tax		VAT		Gambling & Others		Customs and Excise	
	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)	Number	Amount (Rs m)
Cases pending at start of the Year	38	256.8	3	10.2	1	2.6	4	1.2
Cases Lodged	7	15.5	1	1.1	2	11.3	2	1.3
Cases Determined	17	86.1	3	8.3	2	11.3	-	-
Cases pending at year end	28	186.2	1	3.0	1	2.6	6	2.5

**Fiscal Evaders & Fraudsters are always
under our scrutiny**



Customs CCTV Surveillance System

12. STRATEGIC OUTCOME: FACILITATING TRADE AND REINFORCING BORDER SURVEILLANCE

Customs Declarations Processed



Channels	Imports	Exports
Red	14%	0.1%
Yellow	57%	23%
Green	27%	73%
Blue	2%	4%

Containers/Consignments Scanned

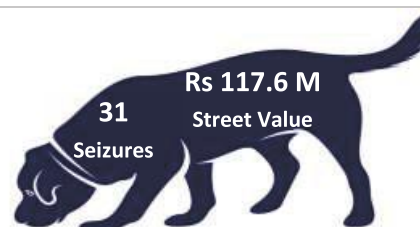


Number of Consignments scanned	527,142
Amount collected from offences	Rs 2.2 Million

Narcotics Seizures



K9 Unit (Drug Detector Dogs)



Cargo Dwell-Time (Imports)



	Sea	Air
Red	13.00 hrs	5.47 hrs
Yellow	4.35 hrs	4.91 mins
Green	29.20 mins	32.26 mins

Post-Control & Clearance Audits



85 Audits Conducted

Rs 61.9 Million Assessments Raised

Rs 46.9 Million Revenue Collected

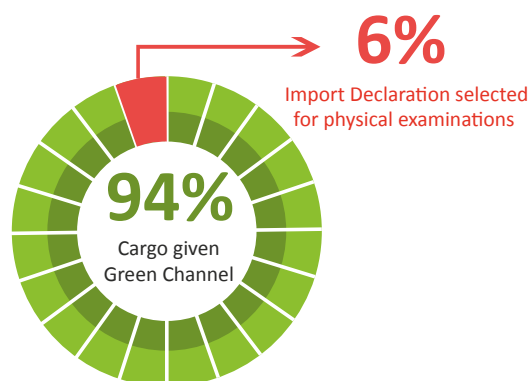
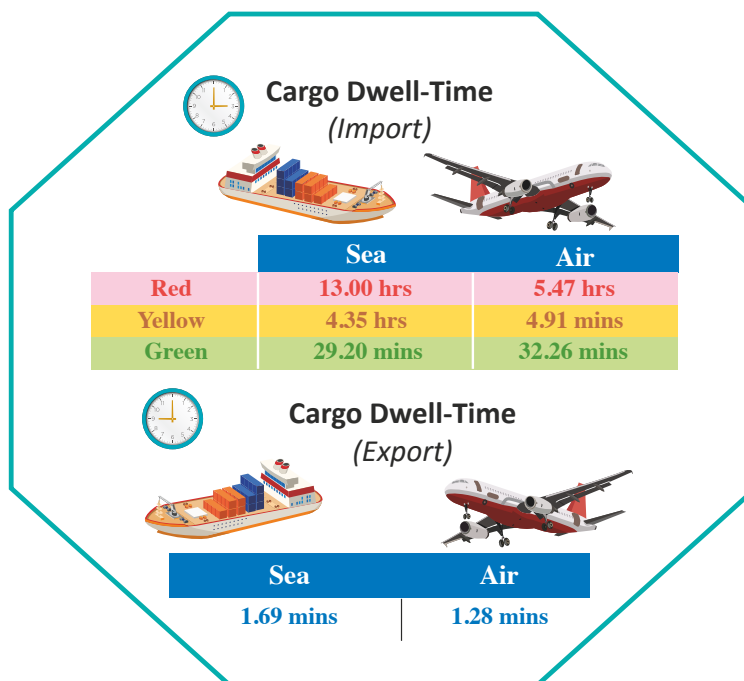
12.1. Trade Facilitation Performance

12.1.1. Declarations processed

Table 12.1: Customs Declarations Processed – FY 2021/22

Details	Imports	Exports
Number of Customs Declarations processed	210,844	68,438
<i>Of which</i> (a) Red Channel	28,732	101
(b) Yellow Channel	120,871	15,691
(c) Green Channel	57,150	50,205
(d) Blue Channel	4,091	2,441

12.1.2. Dwell-Time of Cargo at Customs for the FY 2021/22



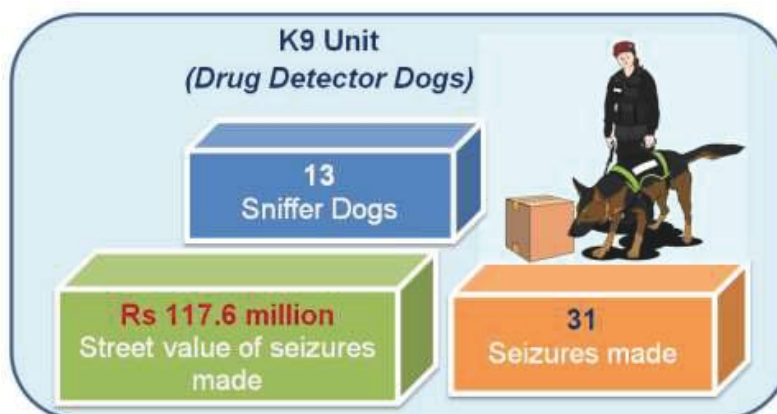
12.2. Border Enforcement Performance

12.2.1. Narcotics seizures

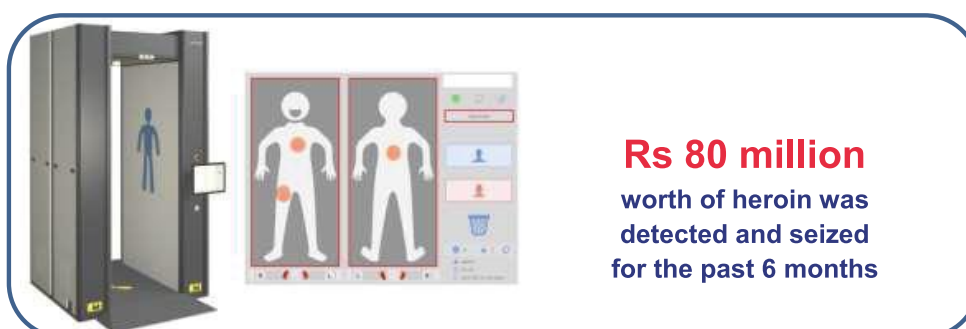
Table 12.2: Narcotics seizures for the FY 2021/22

Description	Weight / Qty	Street Value (Rs)
Heroin	10,030.42	150,456,300
Crystal Meth	4,335.30	65,029,500
Synthetic drugs	2,120.00	31,800,000
Hashish	4,498.43	13,495,290
Cannabis	12,760.03	7,656,018
MDMA	232.05	3,480,750
Cocaine	52.4	786,000
Psychotropic Substances	638 units	95,700
Cannabis seeds	755 units	75,500
Hemp Seed Oil	25,000.00	-
Total		272,875,058

Narcotics seizures made by sniffer dogs during the FY 2021/22



Narcotics seizures made by using body scanner



12.2.2. Other contraband & seizures

Table 12.3: Breaches for non-compliance for the FY 2021/22

Details	Number of cases	Value (Rs)
Cross-border currency control		
- Number of voluntary declarations	181	-
- Number of offences related to undeclared currency declaration	43	27,895,528
- Number of offences related to falsely declared currency declaration	4	3,656,065
- Total amount of fine collected		5,841,391
IPR Enforcement		
- Number of suspension of clearance of Goods suspected to be IPR Infringements	723	-
- Number of cases of IPR Infringement	143	-
- Quantity of goods seized for IPR infringement	75,539 units	8,175,070
Contraband seizures		
- Alcoholic Beverages	1,532 bottles	84,951
- Cigarettes	62,800 sticks	74,371
- Offensive weapons	2	
- Roll your own cigarette paper	9,827,256 sheets 114 Rolls of Cigarette paper with pre-glue edge	4,591,758
Other Contraband seizures		
- White paper containing imprints of Euros and dollars notes	425	
- Live tortoises	5	
- Satellite Phone	2	
- Fake passport	1	
- Tyre rims	8	3,893

12.2.3. Customs enforcement outcomes

Table 12.4: Customs Enforcement Interventions for the FY 2021/22

Details	FY 2021/22
Total number of seizures from Customs enforcement interventions	219
<i>Of which</i> (a) Number of seizures from smuggling	115
(b) Number of seizures from other offences	104
Total recoveries from Customs enforcement interventions (Rs)	7,273,961
<i>Of which</i> (a) Amount recovered from smuggling (Rs)	501,889
(b) Amount recovered from other seizures (Rs)	6,772,072

12.2.4. Excise enforcement outcomes



12.2.5. Containers/consignments scanned

Table 12.5: Outcomes for Containers/Consignments scanned – FY 2021/22

Details	Port	Airport	Total
Number of containers / consignments x-rayed	33,763	493,379	527,142
Number of suspect containers/consignments	619	14,437	15,056
Number of offences detected	135	132	267
Duties and taxes collected from the offences detected (Rs)	1,473,248	683,006	2,156,254

12.2.6. Post-Control and Clearance Audits

Table 12.6: Outcomes for Post Control and Clearance Audits for the FY 2021/22

Details	Post-Control Audit (PCA)	Post-Clearance Review of Declarations (PCRD)
1. Number of Staff posted in the PCCA/PCRD Units	8	11
2. Number of audits conducted	85	
<i>Of which (a) Number of Desk audits</i>	20	
<i>(b) Number of Field audits</i>	47	
<i>(c) Number of Other audits</i>	18	
3. Revenue Assessed by the PCCA/PCRD	26,540,463	35,383,500
<i>Of which (a) Desk audits (Rs)</i>	1,389,130	
<i>(b) Field audits (Rs)</i>	5,765,158	
<i>(c) Other audits (Rs)</i>	19,386,175	
4. Revenue Collected by the PCCA/PCRD	15,623,570	31,295,978
<i>Of which (a) Desk audits (Rs)</i>	1,238,965	
<i>(b) Field audits (Rs)</i>	4,313,725	
<i>(c) Other audits (Rs)</i>	10,070,880	

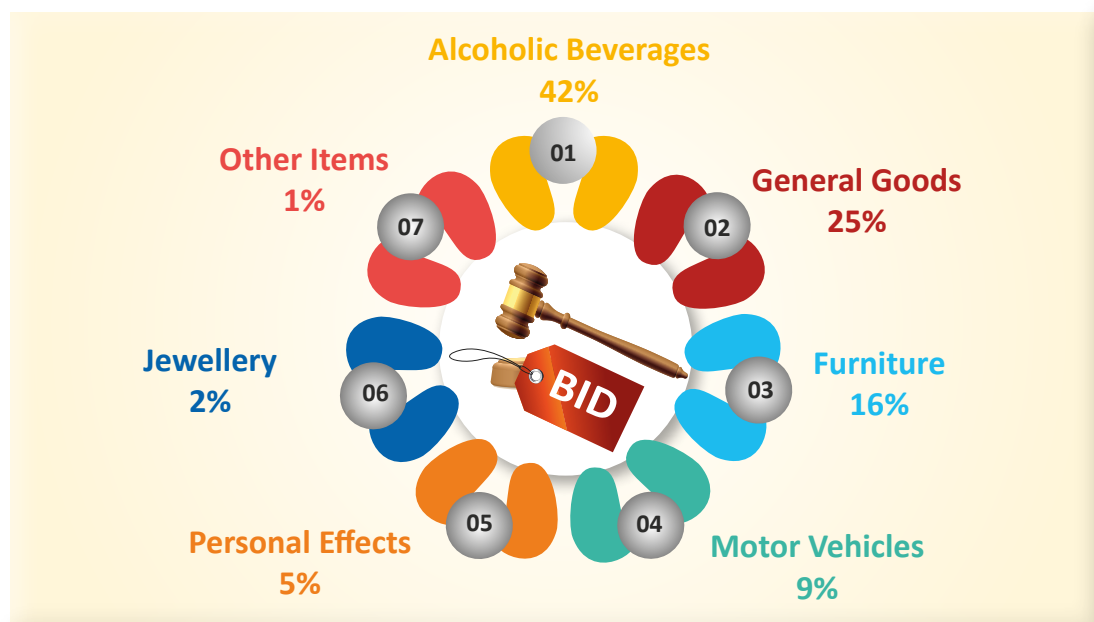
12.2.7. Customs Offence Reports (CORs) and Claims

Table 12.7: Duties, Taxes and Penalties from Customs Offence Reports (CORs)	
Details	FY 2021/22
Number of CORs raised	309
Assessed Duties and Taxes (Rs)	1,165,280
Assessed Penalties (Rs)	7,614,888
Total Revenue Assessed from CORs (Rs)	8,780,168
Duties and Taxes collected from CORs (Rs)	530,467
Penalties collected (Rs)	7,201,481
Total Amount Collected from CORs (Rs)	7,731,948

Table 12.8: Duty, Excise Duty and Taxes, Penalty and Interest from Claims	
Details	FY 2021/22
Number of Claims raised	935
Assessed Duties and Taxes (Rs)	93,991,810
Assessed Penalties (Rs)	28,421,591
Assessed Interest (Rs)	1,771,130
Total Revenue Assessed from Claims (Rs)	124,184,531
Duties and Taxes collected from Claims (Rs)	82,815,472
Penalties collected (Rs)	6,472,232
Interest collected (Rs)	977,639
Total Amount Collected from Claims (Rs)	90,265,343

12.2.8. Auction sales

The MRA Customs conducted a total of 23 e-Auction Sales exercises through the “Online Auction System” where a total sum of Rs 2.3 million was collected.



12.3. Initiatives and measures implemented

12.3.1. New Trade Facilitation measures implemented or under implementation

12.3.1.1. Implementation of Harmonized System 2022

The MRA fully migrated to the seventh edition of the Harmonized System (HS) nomenclature which entered into force on 1 January 2022. The HS 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 is to be noted that MRA Customs worked in close cooperation with the WCO, within the framework of the EU-WCO Programme for Harmonized System in Africa (HS-Africa Programme) to successfully ensure the timely and coordinated implementation of the HS 2022 amendments on 1 January 2022.

The new HS 2022 edition has brought a total of 351 sets of amendments covering a wide range of goods moving across borders.

Some of the major changes are:

- New Heading for Electrical and electronic waste and scrap under the Basel Convention (E-waste);
- New sub-heading for nicotine based products, electronic cigarettes and similar personal electric vaporising devices;
- Unmanned Aerial Vehicles (UAVs), commonly referred to as drones, also gain their own specific provisions to simplify the classification of these aircrafts;
- Smartphones will have their own sub-heading;
- Separate identification of flat panel display modules irrespective of their final use;
- Diagnostic kits for the identification of infectious diseases; new provisions for placebos and clinical trial kits for medical research;
- Many new sub-headings have been created for dual use goods that could be diverted for unauthorized use, such as radioactive materials and biological safety cabinets, as well as for items required for the construction of improvised explosive devices, such as detonators;
- New sub-headings for specific chemicals controlled under the Chemical Weapons Convention (CWC), for certain hazardous chemicals controlled under the Rotterdam Convention and for certain Persistent Organic Pollutants (POPs) controlled under the Stockholm Convention;
- New sub-headings have been introduced for the monitoring and control of fentanyl and their derivatives as well as two fentanyl precursors at the request of the International Narcotics Control Board (INCB); and,
- New heading 38.27 has been introduced for gases controlled under the Kigali Amendment of the Montreal Protocol.

12.3.1.2. E-Registration of Exporter and Manufacturer under Preferential Trade Agreement

Exports under preferential trade agreements require preliminary registration of exporters to ensure that products that are manufactured/further processed in Mauritius are entitled to originating status in compliance with the rules of origin as prescribed in the different Preferential Trade Agreements (PTAs) that the MRA Customs is responsible to enforce.

The project, completed in June 2022, enables individuals/companies to electronically apply for registration as exporters/manufacturers. The project objectives are to allow:

- (a) Ready access to real-time and accurate data on exporters/manufacturers exporting under preferential trade agreements with an updated database of exporters and their related products; and,
- (b) Assist in mutual administrative cooperation in responding to requests for verification of proofs of origin from importing authorities.

It is to be noted that this project is being implemented phase-wise:

- Phase 1 (completed 30 June 2022): pertains to system development for electronic application, processing and approval of application for registration of exporters/manufacturers trading under PTAs in view of building an exporter database;
- Phase 2 (in progress): pertains to linking the electronic database with CMS to allow validation between CMS electronic application for certificate of origin and the database as well as reinforce risk management.

12.3.1.3. e-Duty Free Certificate for motor vehicles

The e-Duty free certificate for motor vehicles, which was launched on the 26th January 2022 on the occasion of International Customs Day, concerns online application for excise duty remission on motor vehicles.

This system aims to reduce dwell-time at Ministries and MRA Customs for the processing and approval of duty free certificate, while eliminating the need for various hard copies of the application form. With inbuilt tracking functionalities, the applicant is notified by email with respect to the different status of the application. The approved duty free certificate is automatically sent to the applicant. This project has been implemented on a pilot basis with the Police Department and it will be subsequently extended to other beneficiaries as per the PRB Report 2021.

12.3.1.4. e-Courier platform

The e-Courier platform, which was launched on the 26th January 2022 on the occasion of International Customs Day is a completely paperless system designed to allow Courier operators and members of the public to submit simplified declarations and effect payment online to clear courier consignments. Processing and clearance by MRA Customs are also done online and email notifications are sent to the Courier operators and importers to provide updates on the clearance process, including the physical delivery authorization. The system is expected to expedite clearance of courier consignments by targeting essentially risky consignments.

The e-Courier platform caters for the following:

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

The system is user-friendly with question-driven interfaces which allow the general public file their assessments easily. Both operators and members of the public initially have to register online to be

granted access to the system, thereby providing greater visibility on entities importing through courier as well as their volume of importation. The CMS Simplified Declaration Module is available only to Customs officers for profiling and processing of assessments. The different statuses of processing and clearances are automatically sent to operators and members of the public.

The solution is expected to improve risk management capabilities on courier consignments, which are regularly used by drug traffickers, as well as improve control on the granting of exemptions allowable on imports through courier. On the other hand, full statistics in terms of volume of importation and duty and taxes collected are readily available through customized reports.

12.3.1.5. Integrated Customs Clearance Centre (ICCC)

The Integrated Customs Clearance Centre (ICCC) situated at Le Chaland, Plaine Magnien, was inaugurated by the Prime Minister on 26th January 2022. This ceremony also coincided with the celebration of the International Customs Day by MRA. This state-of-the-art building is a one-stop-shop for air cargo clearance and aims to reduce the cost of doing business and facilitate trade. The ICCC building is part of a major development project in the airport area that will concurrently bring about the setting up of a cargo village and extension of Freeport Zones.



The ICCC complex at Plaine Magnien with the conference centre on the left and administrative/operational block on the right

The ICCC Building has a total area of 6,154 square meters and has a modern architectural design encompassing “green” concepts such as use of solar energy, maximum use of natural lighting, and rain-water harvesting systems. This building is equipped with all the necessary facilities and amenities to enable MRA Customs perform its duties diligently and also provide a value-added service to the trading community such as:

- modern office space for a better interaction between government authorities and stakeholders;
- auditorium and training room facilities;
- conference rooms for meetings and video-conferencing;
- detention cell (to be used by Customs Anti-Narcotics Section);
- Sniffer dogs (K-9) compound and leisure area;
- CCTV control room; and,
- Canteen/cafeteria and other welfare amenities.

One important peculiarity of the ICCC building is that it will house several border agencies under one roof, in accordance with the World Customs Organization’s concept of Coordinated Border Management (CBM). Thus, stakeholders will be able to conduct transactions, such as application of permits and authorizations, payment of fees, duty and taxes and clearance of goods, in this single building.

Some of the government agencies that will be based at the ICCC include amongst others: Customs, Health, Agriculture, Ministry of Commerce, Food Import Unit, MSB, Pharmacy Board, etc. CBM will, therefore, be highly beneficial to the trading community in terms of reduced transactions costs through expedited processing and clearance times, and reduced hassles and waiting times for moving from one agency to another. All these factors will no doubt contribute to reducing the cost of doing business.



Administrative block and operational area of the ICCC that houses Customs and other government agencies under a single roof

12.3.2. New Border Enforcement measures under implementation

12.3.2.1. Procurement of a Full Body X-Ray Scanner at SSRIA

In January 2022, MRA installed state-of-the-art full body scanners at the SSR International airport to further enhance the operational capabilities of Customs officers. These scanners enable Customs to conduct body scan of passengers suspected of corporeal concealment of drugs, thus, enhancing detection and handing over of suspected passengers for medical examination and speedy controlled delivery operation.

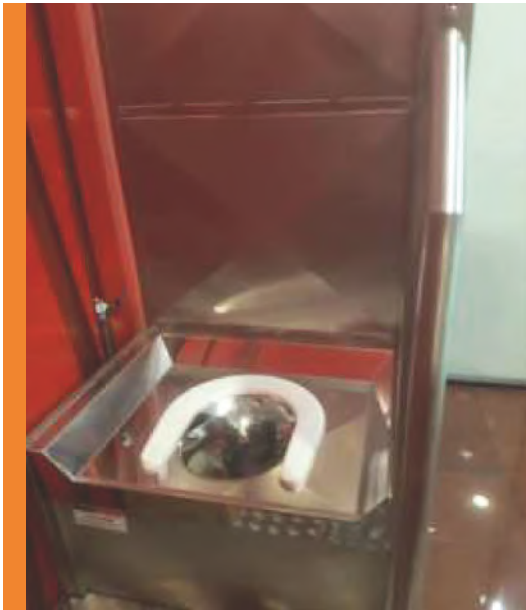


Full Body X-Ray Scanner

These speedy and accurate body scanners are giving promising results and it is worth noting that the MRA has seized heroin worth more than Rs 80 million during the first four months of operation.

12.3.2.2. Setting up of a Drug Loo facility at SSR International Airport

The MRA has also procured one drug loo to further address the issue of travellers having the impulse to purge drugs. The drug loo, which is operational since January 2022, reduces lengthy and delicate procedures previously in place. It facilitates the safe and hygienic recovery of pellets containing illicit substances ingested by travellers without contaminating the evidence and compromising the chain of continuity of evidence.



Drug Loo

12.3.2.3. Implementation of WCO Targeting System

The WCO Cargo Targeting System (WCO CTS), developed by WCO, is a tool that enables Customs administrations perform risk assessment and targeting of cargo manifests in line with international best practice in the area of cargo risk assessment, including the key pillars of the WCO's SAFE Framework of Standards to Secure and Facilitate Global Trade. It targets risky consignments at cargo report inwards level, reduces dwell-time and facilitates the movement of legitimate imports. This system has been successfully implemented by many Customs administrations and same has been customized accordingly to meet the requirements of MRA Customs.

The MRA Customs completed configuration and deployment of the WCO CTS in January 2022. Officers of MRA Customs Risk Management Section (RMS) and CMS-IT Section received training on the WCO CTS virtually from experts from the WCO. These officers provided in-house-training to officers of several sections/units including RMS, Brigade de Marchandises, Customs Anti-Narcotics Section and Airport Cargo Operations Services. An expert from the WCO was also on a training visit from 07 to 11 March 2022 to provide additional guidance on the functionalities of the system.

12.3.2.4. Central Control Room

In June 2022, MRA Customs operationalized a modern Central Control Room at the Custom House with the objective to enhance our capabilities to protect our borders from the entry of illicit goods. This control station is equipped with the latest technology for the monitoring of strategic locations of the

port. It is manned by officers of the Surveillance and Enforcement Section who interact with Customs roving teams as well as officers posted at exit gates through walkie-talkies for an efficient and effective intervention in case of suspicious movements/abnormal activities in the port area.



The Central Control Room comprises of the following:

- (a) New CCTV Room: is fully operational and is equipped with the following:
 - Monitor screens: eighteen 24-inch curved screens and twenty 70-inch wall screens;
 - Keyboards: 10 keyboard with joystick for PTZ control for better viewing of images (PAN feature to rotate images ; TILT feature to move images up and down and Zoom feature for zoom-in, zoom-out to have a better picture);
 - Coverage: 27 cameras of Customs, 33 MPA Cameras and 144 CHCL cameras covering the following areas: Customs examining bays, Mauritius Container Terminal (MCT), Multi-Purpose Terminal (MPT), Quay D, Fish Quay, Roche Bois Roundabout and gate, and Customs Landing Steps.
- (b) Central Scanning Room: This SADC-funded project, which is expected to be fully implemented soon, offers a total solution to centralize and manage the two scanners situated at the Mauritius Container Terminal and consists of the following features:
 - A central platform for the integration of the mobile scanner and gantry scanner;
 - Scanned images are transferred in “almost real-time” to the Central Control Room for image interpretation and final clearance by supervisory Officers;
 - A database of suspect/non-suspect images for training purposes;
 - System offers the possibility to integrate further scanners situated in the port area.

The scanners are operated on the existing site and the operator provides his image interpretation and recommendation, while the supervisor at the Central Scanning Control Room authorises delivery after viewing the image at his end or gives further instructions as may be required. The system, thus, provides for a double layer of control, reduces risks for malpractice, increases supervisory control.

- (c) 2 Body-worn camera booths: This component of the Central Control Room, which is expected to be completed soon, will provide live images of body-worn cameras used by Customs

officers while performing physical examination of goods. The body-worn camera booths will be manned by operators of the Surveillance and Enforcement Section. However, officers of other units such as Compliance, Valuation and Tariff will be able to view the live images as required without the need to physically assist the examination process at examining and freight stations. This will assist them in their decision to release the consignment and will thus further enhance supervisory control.

12.3.3. Regional matters

12.3.3.1. RTC Mauritius pioneers training in HS for ESA Member States



RTC Mauritius has developed a Curriculum on the Harmonized System (HS) for the benefit of WCO East and Southern Africa (ESA) Member States. This capacity building initiative aims to dispense customized training on this very important pillar and trilogy of customs. This initiative is the outcome of the Technical Working Group (TWG) set up by the Regional Office for Capacity Building (ROCB) in the context of an enhanced collaboration strategy among WCO ESA Regional Training Centre's (RTCs) whereby RTC Mauritius was assigned the responsibility to develop a Curriculum on HS for the 24 ESA countries.

MRA celebrates the International Customs Day





Dr Kunio Mikuriya, Secretary General of the WCO, visit to MRA Customs



Auction Sale by Court Usher



Passing out ceremony of new Customs recruits





Inauguration of NLTA office at Customs by Honourable Alan Ganoo, Minister of Land Transport and Light Rail



Every single contribution matters...



...for a solid & resilient nation building

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 quality services and facilitation measures 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. The MRA Taxpayer Education Programmes intend to foster a culture of compliance, raise awareness on tax evasion and fraud, educate stakeholders on prevailing tax laws and legislations, simplify tax related issues and shed light on the shortfall in revenue collection from tax evasion and its impact on the country's social and economic development.

13.1.1. Educating our taxpayers

Since laws and regulations surrounding tax are constantly changing, ensuring that taxpayers are up to date with the changes brought is imperative. In line with its objective of empowering taxpayers, the MRA has conducted a series of awareness and educational sessions covering a wide range of topics as highlighted below.

Table 13.1: Awareness & Educational campaigns dispensed

		
<i>Self-Employed Assistance Scheme</i>	July to December 2021	Self-Employed
<i>Government Wage Assistance Scheme</i>	July to December 2021	Employers/ Employees
<i>Payment of Subsidy on Essential Goods</i>	July to August 2021	Retailers/ Distributors/ Importers
<i>Contribution Sociale Généralisée</i>	Year Round	Employers/ Employees/ Self-Employed
<i>Individual Income Tax e-filing</i>	August to October 2021	Taxpayers
<i>E-Appointment</i>	September to October 2021	Taxpayers
<i>VAT Campaign</i>	Year Round	VAT Registered Person
<i>Portable Retirement Gratuity Fund</i>	February to June 2022	Employers
<i>Online Currency Declaration</i>	Year Round	Passengers
<i>Advertising Structure Fee</i>	April 2022	Billboard owners
<i>Environment Protection Fee</i>	April 2022	Taxpayers
<i>Guidelines for Objection</i>	May 2022	Taxpayers

Table 13.2: Educational Seminars

30 sessions conducted in state colleges & schools under Private Secondary Education Authority for the benefit of students		21 sessions targeted at members & staff of associations & institutions
--	---	---

Tax Officials have also participated on TV and Radio Programmes providing explanations on filing and submission of tax return, on importance of paying taxes within statutory deadlines and other relevant tax and customs issues.

Table 13.3: Number of Audio/ Visual Media intervention conducted

Events	Details	Number of sessions
	 • Interventions & News reports • Programmes	8 47
	 • Interventions & News reports • Programmes	11 742
		21
	Production & Dissemination of One-minute Radio Programme	182

13.1.2. Publications

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

Table 13.4: Leaflets / Brochures issued during the Year 2021/22

Information leaflets of which:	12
(a) <i>Income Tax & VAT</i>	7
(b) <i>Customs</i>	5
Brochures/Guides published of which:	27
(a) <i>Income Tax & VAT</i>	20
(b) <i>Customs</i>	2
(c) <i>Other Publications</i>	5
Total	39



13.1.3. Meetings held with Stakeholders

In its quest to impart tax knowledge, the MRA has collaborated with various professional bodies and business associations, holding regular stakeholders meetings. The meetings held during the year are listed hereunder.

Table 13.5: Meeting with Stakeholders

Date	Stakeholders	Main Topics Discussed
24-Aug-21	Mauritius Finance	Finance (Miscellaneous Provisions) Act 2021
08-Sep-21	MEXA	Changes brought in by Finance Act 2021 (Customs)
21-Sep-21	Business Mauritius	Changes brought in by Finance Act 2021
07-Oct-21	MEXA	Changes brought in by Finance Act 2021 (Tax)
22-Oct-21	Trade Union Trust Fund Board	CSG
18-Nov-21	AMFCE (Association Mauricienne Des Femmes Chefs d'Entreprises)	PRGF
26-Nov-21	MEXA	PRGF & CSG
30-Nov-21	MEXA	Return, PAYE & CSG
02-Dec-21	MEXA	VAT & TDS
07-Dec-21	MEXA	Assessment, CTAX, APS, CSR & Freeport
09-Dec-21	MEXA	Objection, Appeal & ATDR
10-Feb-22	Federation of Progressive Unions	Deductions by MRA on Severance Allowance, Gratuity and Pension
11-Feb-22	MIPA	PRGF
15-Feb-22	IQEQ Company Ltd	PRGF
08-Mar-22	Andersen (Mauritius) Ltd	PRGF - Webinar
10-Mar-22	IBL	PRGF
12-May-22		
23-Mar-22	MIPA	PRGF
07-Apr-22	Federation of Progressive Unions	PRGF
23-May-22	Veling	Solidarity Levy
09-Jun-22	MEXA	PRGF

To share best practices and past experiences, the MRA hosted a number of visiting delegations during the year:

Table 13.6: Events at the MRA

Organisation	Date	Event
Tourism Authority	05 August 2021	MOU
Agricultural Marketing Board	16 September 2021	MOU
Radiation & Nuclear Security Authority	15 October 2021	MOU
WCO in collaboration with Forensic Science Laboratory	26-28 October 2021	Training on Identification of New Psycho-Active Substance & Targeting
Zoom Session with: WCO ESA	23-24 November 2021	Conference
Virtual Session: CATA	9-11 November 2021	41 st Technical Conference
PREF-CEMAC	24 February 2022	Mission: to discuss tax & business facilitation initiatives implemented by MRA
UNODC	12-19 February 2022	Study on the possibility & need for setting up of Container Control Programme
European Union in collaboration with IOC, INTERPOL, IMO & UNODC	7-11 March 2022	Training on Physical Security of Port Infrastructure
World Bank	24 March 2022	Finalization of the Completion Learning Report of Previous Country Partnership Framework
Virtual Conference: Hong Kong Special Administrative Region of People's Republic of China (HKSAR)	8-10 March 2022	Conference: DTA Negotiations
US Drug Enforcement Administration & US Embassy Mauritius	26-28 April 2022	Training: Combatting Drug Trafficking
French Customs	23-27 May 2022	Training: Capacity Building Mission
US Embassy in collaboration with Forensic Science Laboratory (FSL)	16-20 May 2022	Training: Forensic Disciplines Exchange Event
WCO ESA Governing Council	12 May 2022	Meeting



13.2. Customer Care

13.2.1. Taxpayer Satisfaction Survey (TSS)

During the period under review, the MRA has carried out another Taxpayers Satisfaction Survey (TSS) concurrently with the e-filing of the individual income tax return exercises in September/October.

In its quest to continuously improve its existing services, the MRA has adopted a targeted approach, dividing the survey into three distinct questionnaires aiming:

- a) The general public
- b) Tax Stakeholders
- c) Customs Stakeholders

The questionnaires were targeted at each different categories based on the TAN through the taxpayer Portal. At the close of the e-filing deadline, a total of 29,027 respondents were recorded, 135 Customs Stakeholders, 1,063 Tax Stakeholders and 27,829 General Public (out of 210,727 returns filed) representing a 14% 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 29,000 replies.

The feedback obtained from tax agents and general public provides a better understanding of the taxpayers' perspectives, allowing the MRA to tailor specific strategies to respond to their needs and requirements. Practical insights on ways to improve the MRA's customer service delivery are acquired.

The purpose behind targeting Customs stakeholders is to ensure that any difficulties encountered with respect to Customs clearance procedures are identified and addressed accordingly.

To a question for the general public on whether the MRA has met its objective in fulfilling their expectations over its 15 years in operation, the result is as follows:

The MRA completed 15 years operation in July 2021. Do you think the MRA has met its objectives in fulfilling your expectations?



13.2.2. Customer Service Feedbacks

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

Table 13.7: Customer satisfaction, feedback & complaints received

Details	Number
Total number of Complaints/Feedback received of which:	10,506
(a) New Customer Service Feedback Terminals (CSFTs) - Ehram Court - Customs House	5,596 3,028
(b) Citizen Support Portal (CSU)	553
(c) Taxpayer Mailing Service	1,284
(d) Website (CMS)	45

13.2.3. Complaints Management System

The MRA has put in place a Complaints Management System in order to track receipts and monitor their resolution.

Table 13.8: Complaints Management System		
Details	Complaints received	Complaints resolved
Total number of Complaints received of which:	2,909	2,801
(a) Number of Tax-Related issues	1,029	942
(b) Number of Non-Tax Related issues	131	117
(c) Social Contributions queries	1,749	1,742

13.3. Communication

In an effort to maintain a close proximity with its stakeholders amidst a difficult context, the MRA has broadened its presence on various platforms and channels. The MRA has also continuously engaged with taxpayers on social media such as Twitter, Facebook, LinkedIn and YouTube.

As part of its communication strategy, the MRA issues leaflets, brochures, guidance notes and other publications. It is now using technology to produce short instructional videos on its YouTube channel to simplify detailed and, often complex, tax laws and/or to encourage its stakeholders to meet their fiscal obligations as and when they fall due.

13.3.1. 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.

13.3.2. Website



The MRA website plays a pivotal role in providing a permanent availability and accessibility between the organization and its stakeholders. The MRA website is regularly updated so that taxpayers can avail knowledge of recent information to meet their tax obligation.



Website Updates
868



Unique Visitors
726,381

13.3.3. MRA YouTube Channel



Mauritius Revenue Authority
 @mauritiusrevenueauthority 27555.58K subscribers
 403 videos

The MRA has published 21 videos during the year through its YouTube Channel on Income Tax filing, Portable Retirement Gratuity Fund, CSG, Employee Declaration Form amongst others.

Videos	Topic
	Portable Retirement Gratuity Fund (PRGF)
	Social Contribution/ Contribution Sociale Généralisée (CSG)
	Employee Declaration Form (EDF)
	Tax incentives for SMEs
	The ICC: MRA's brand new building at Le Chaland
	Acquisition of Whole-Body Scanner by the MRA
	The Importance of Taxation



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 1,589 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 5,193 subscribers to whom the MRA has issued 6 communiqués during the year.

13.3.7. Facebook



With a view to increasing visibility among social media users, the MRA has launched its Facebook page in September 2021. There are 14,000 subscribers on the MRA Facebook page.

13.4. Other Means of Communication

13.4.1. Publication of the Annual Report

As part of its statutory requirement, the MRA published the Annual Report 2020/21, highlighting its responsibilities and achievements for the year. The Annual Report was officially presented to the honourable Minister of Finance, Economic Planning and Development, Dr Renganaden Padayachy, and thereafter posted on the MRA website after necessary approval was received.

13.4.2. Annual Press Conference

With a view to maintaining on-going dialogue with the media, the Director General, with the assistance of his Management Team, organised the Annual Press Conference held on 03 September 2021 at the seat of the MRA Head Quarters.



Key areas highlighted during the presentation were as follows:

- Revenue Collection by the MRA
- E-filing Rate
- Progressive Tax & Income Support Systems
- Ease of Paying Taxes
- Contribution Sociale Généralisée

In his presentation, the Director-General laid particular emphasis on the fact that the MRA remained committed to delivering financial assistance as earmarked by the Government to different operators whilst at the same focus on its key functions of tax collections, border protection and trade facilitation.

TAXPAYER SATISFACTION SURVEY (TSS) 2021 – AN OVERVIEW

Table 13.9: TSS 2021 – Feedback Received from the General Public

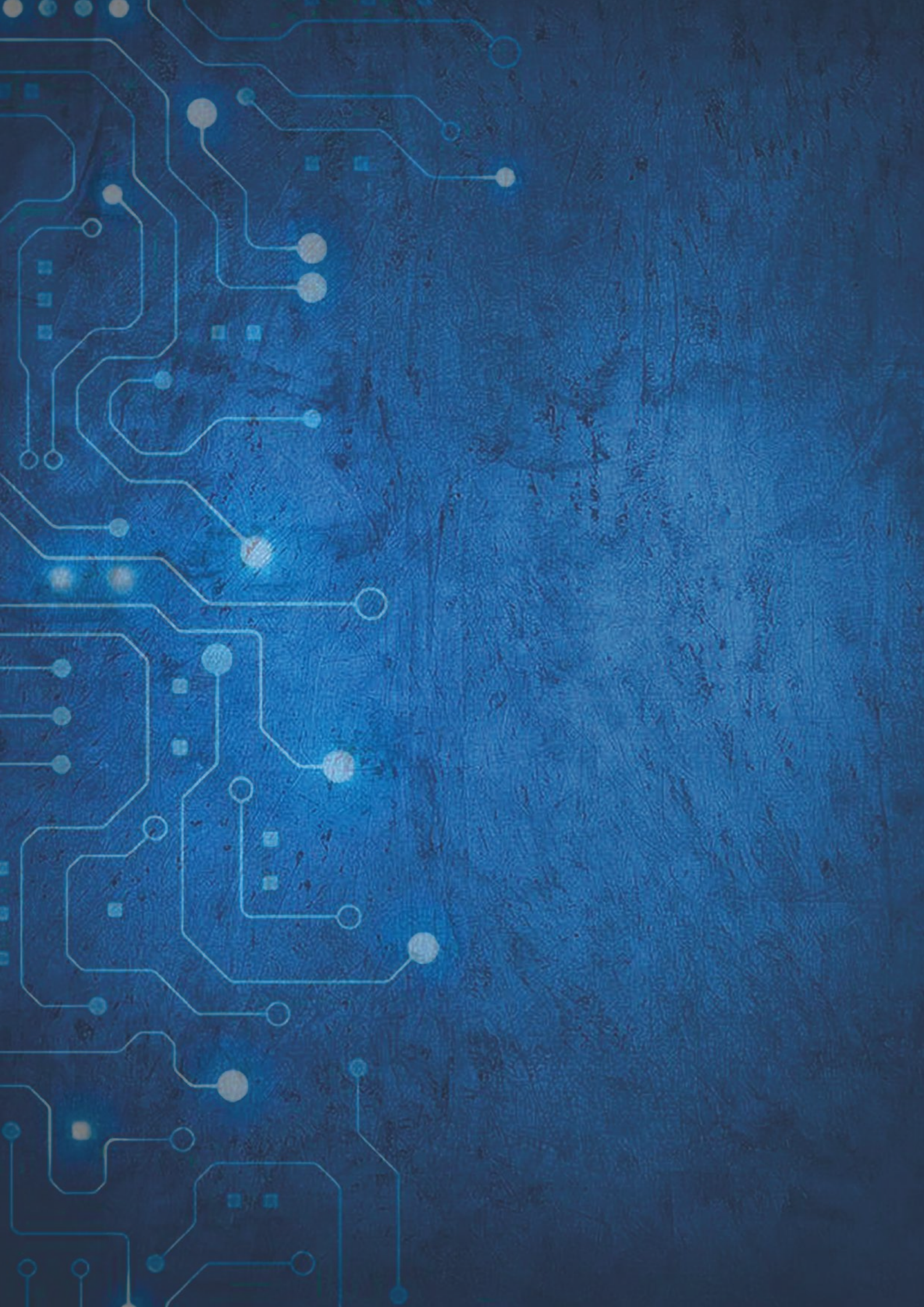
No.	Statement	Very Good / Good	Neutral	Very Bad / Bad
1	Ease of getting in touch with the MRA	72%	19%	10%
2	Helpfulness and courtesy of the staff answering the phone call	77%	19%	4%
3	Knowledge of staff and accuracy of information provided	80%	17%	3%
4	Quality and Speed of Service	75%	19%	6%
5	The MRA's Website is user-friendly and easily accessible	92%	6%	2%
6	The search facilities on the MRA Website	89%	9%	2%
7	Information provided on the MRA's Website is adequate and up-to-date	90%	9%	2%
8	Appearance and clarity of tax communiqués, adverts and Radio/TV Programmes	82%	15%	3%
9	MRA keeping the public well informed about their filing obligations and deadline dates	86%	11%	3%
10	The MRA's educational campaigns are properly targeted	77%	19%	4%
11	Tax compliance by persons in business	71%	26%	3%
12	MRA campaigns to inculcate tax culture among the population	75%	21%	4%
13	Enforcement action by the MRA to tackle tax non-compliance	73%	23%	4%
14	Prosecution of taxpayers by the MRA for failure to pay tax	70%	26%	4%
15	Customs procedures to clear goods and passengers	70%	25%	5%
16	The measures put in place by Customs to combat drug trafficking	74%	21%	5%
17	Payment options available for your tax payment	88%	10%	2%
18	Promptness of obtaining refund via bank account	84%	14%	2%
19	Fairness in treatment of tax issues by the MRA	77%	19%	3%
20	Improvement in integrity and ethical behaviour of MRA staff over the years	78%	20%	2%
21	Information on your rights and obligations as a taxpayer	79%	18%	4%
22	The handling of COVID-19 payments (i.e.; Self-Employed Assistance Scheme and Government Wage Assistance Scheme) by the MRA	75%	22%	4%
23	The overall trust you have in the MRA	82%	16%	2%
24	OVERALL SERVICE DELIVERY OF THE MRA OVER LAST 5 YEARS	85%	14%	2%
			Yes	No
25	The MRA has completed 15 years of operation in July 2021. Do you think the MRA has met its objectives in fulfilling your expectation? (YES/NO)		90%	10%

Table 13.10: TSS 2021 – Feedback Received from Tax Agents

No.	Statements	Strongly Agree / Agree	Neutral	Disagree / Strongly Disagree
1	It is easy to get in touch with MRA officers	54%	21%	24%
2	The speed of service and response time is reasonable	61%	25%	15%
3	Information provided is clear and accurate	76%	19%	6%
4	Information on the website is adequate and up-to-date	86%	10%	4%
5	The MRA's Taxpayer Mailing Service is an effective means of communication	82%	15%	3%
6	Time taken for completing an Income Tax/ VAT return is reasonable	92%	7%	2%
7	Income Tax/ VAT refunds are effected expeditiously	78%	19%	3%
8	The MRA has an effective complaints handling mechanism	51%	38%	11%
9	Small businesses are aware of their record keeping requirements	54%	38%	9%
10	The record keeping requirements are reasonable for SMEs	58%	37%	5%
11	All taxpayers should have a standardised software for record keeping	66%	25%	9%
12	The MRA should impose heavy penalties for failure to keep records	48%	35%	17%
13	The MRA should embark on an educational/communication campaign on record keeping	86%	13%	1%
14	Tax professionals should refrain from accepting assignments where taxpayers persistently fail to keep records	69%	24%	7%
15	Time period for the submission of requested information by the MRA is adequate	69%	24%	8%
16	MRA Officers interpret tax laws/ accounting provisions effectively	58%	34%	9%
17	MRA officers take questions and disagreements seriously and respond to them	56%	36%	8%
18	Time taken by MRA Officers to conduct the tax audit is reasonable	53%	38%	9%
19	Notice of Assessments give sufficient grounds to understand the basis for the assessment raised	55%	37%	8%
20	Determination of objection to tax assessment is independent and fair	53%	39%	8%
21	Objections are finalised within the statutory deadline	53%	41%	6%
22	The Alternate Tax Dispute Resolution and Expeditious Dispute of Tax Resolution Schemes have helped to expedite resolution of tax disputes	52%	44%	4%
23	MRA should focus more on tax evasion cases as a predicate offence to money laundering	82%	16%	2%
24	Taxpayers provide accurate information when submitting their returns	78%	20%	2%
25	Tax compliance by self-employed professionals is low	56%	36%	7%
26	The extent of tax evasion is severe and enforcement actions by the MRA need to be enhanced	71%	25%	4%
27	Tax evasion practices can be easily reported to the MRA	56%	37%	7%
28	Tax audits and assessments help to improve tax compliance	75%	22%	3%
29	Penalties imposed are sufficient to deter tax evasion	61%	31%	8%
30	The risk of getting caught by the MRA for evading taxes is low	41%	37%	22%
31	Improper handling of taxpayer affairs by stakeholders should be reported to professional bodies	71%	26%	2%
32	Integrity and ethics of MRA Staff has improved over the years	65%	31%	4%
33	Boards in medium and large corporations show little interest in tax governance	46%	37%	17%
34	The public has trust and confidence in the MRA as a revenue administration institution	67%	28%	6%
35	OVERALL SERVICE DELIVERY OF THE MRA HAS IMPROVED OVER LAST 5 YEARS	83%	15%	2%

Table 13.11: TSS 2021 – Feedback Received from Customs Stakeholders

No.	Statement	Very Good / Good	Neutral	Very Bad / Bad
1	The valuation of goods	80%	17%	2%
2	Tariff related information and tariff rulings	78%	16%	5%
3	Processing of Certificate of Origin	82%	14%	3%
4	The release of Bank Guarantee at the Bond Section upon completion of Customs procedures	76%	23%	1%
5	Clearance of goods from Bonded warehouses and for duty free shops	80%	17%	3%
6	Processing of duty free and exemptions and concessions	76%	19%	4%
7	Processing of Refund/Drawback/Inward/Outward processing schemes	72%	24%	4%
8	Verification & clearance of goods at import	80%	13%	7%
9	Customs clearance for export	82%	15%	3%
10	Scanning services at the port and airport	74%	19%	7%
11	Protection of our borders against illicit entry of goods & narcotics	76%	15%	8%
12	Customs services and clearance of passengers at SSR International Airport	83%	14%	2%
13	The Customs services and clearance (import/export) of cargo at the Airport Cargo Terminal	83%	14%	3%
14	The level of information provided to passengers on duty free allowances, prohibited and restricted goods	77%	19%	4%
15	Clearance of goods/parcels at Courier services	73%	20%	7%
16	The level of service or information offered to customers via telephone, email and/or MRA Website	77%	14%	9%
17	Electronic processing of customs declarations (CMS) & other online services	88%	12%	1%
18	The courtesy & professionalism of MRA Customs Officers	81%	17%	2%
19	The opportunity given to Customs Stakeholders to provide an explanation before the issue of a Customs Offence Report (COR)/Customs Claims	70%	26%	4%
20	Leadership and commitment to enhance Customs operations	75%	22%	3%
21	I am sufficiently and timely informed about my Customs compliance obligations	74%	23%	3%
22	Automated Customs systems meet my enterprises' needs	80%	16%	4%
23	Integrity at Customs and facility to report instance of corruption	71%	21%	8%
24	Initiatives taken by MRA Customs to reduce the cost of compliance	72%	24%	4%
25	Consultations with business/stakeholders for addressing their concerns and decision-making	73%	21%	6%
26	The initiatives taken by MRA Customs to improve its service to stakeholders	78%	17%	5%
27	The level of service provided by MRA Customs during the national confinements due to the Covid-19 pandemic	82%	14%	4%
28	The overall service delivery of the MRA Customs	86%	12%	2%



Teamwork makes the Dream work



14. STRATEGIC OUTCOME: HUMAN RESOURCE MANAGEMENT

Staff Numbers



1,479 Staff

Male 55%

Female 45%

Recruitment at the MRA

238
Staff Recruited

144
Internal Recruits
94
External Recruits



Training and Development

23,232
Man Days



105 Local Training
134 Overseas Training
1 Scholarship

Main OSH Activities

- First Aid Course
- Provision of PPE and Dosimeters
- Training on Basic Safety at Sea
- Wheelchair and BP Monitors procured



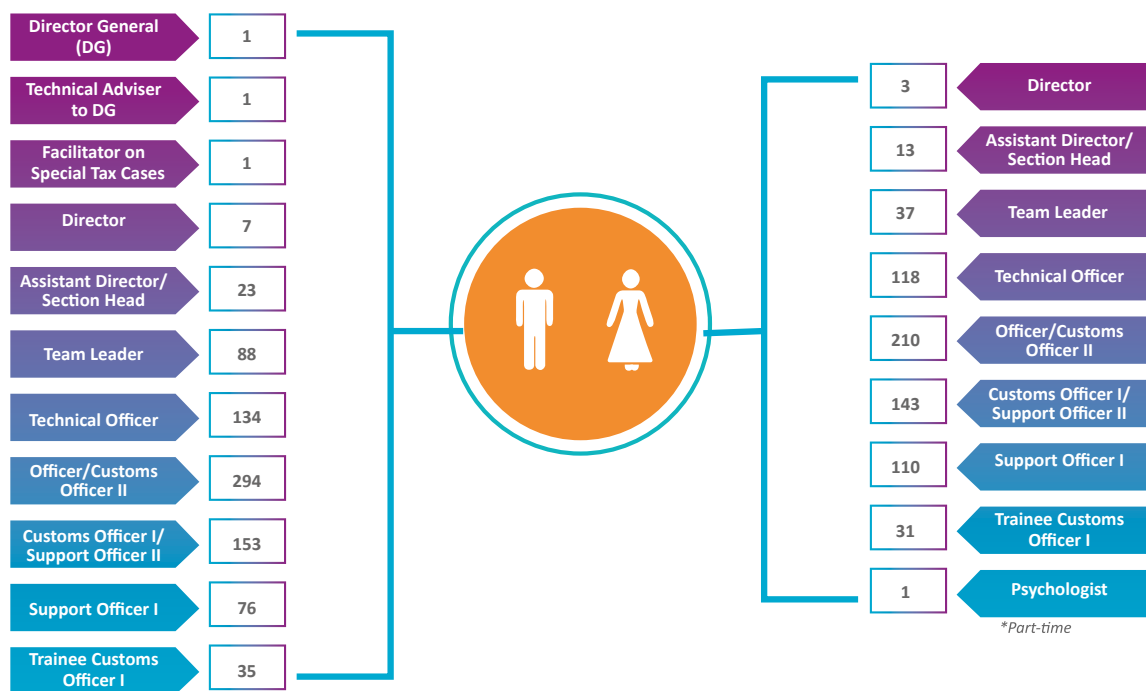
As a large organisation, our effectiveness is reliant on the skills, capability and professionalism of our staff, the flexibility of our structures, and our ability to harness innovation in technology and business practices. At the MRA, we recognise the need to continuously build capability with recruitment and staff development. We aim to be an employer of choice and to recruit individuals with a range of skills and expert knowledge, including but not restricted to taxation, computing, accounting, economics and statistics. We offer merit-based opportunities for advancement along a structured career path and a range of work-life balance options. The staff profiles in this Annual Report provide an insight into the variety and range of career opportunities available at the MRA.

14.1. Human Resource Structure

Our staff strength stands at 1,479 men and women combined, representing 86% of the critical requirements of the 1,712 staff.

14.1.1. Human Resource Profile

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



14.1.2. Human Resource Breakdown by Department

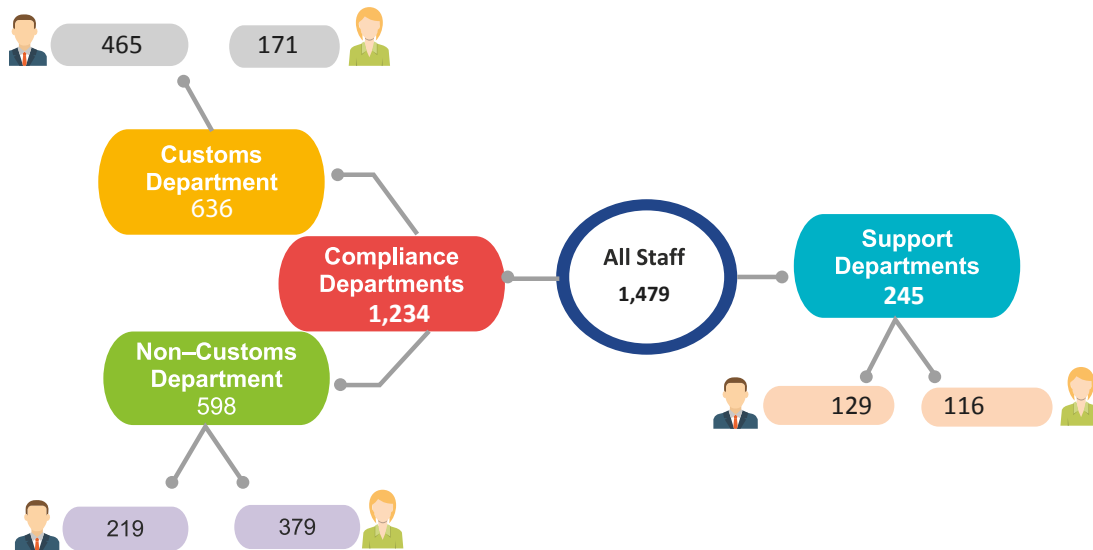
The employee demographics across compliance and support departments by grading are shown in Table 14.1.

Table 14.1: Human Resource Distribution across Departments – 30 June 2022										
Number of staff in the Core Departments (i.e., in the Compliance Departments)	Total	Director	Assistant Director/ Section Head	Team Leader	Technical Officer	Officer/ Customs Officer II	Customs Officer I/ Support Officer II	Support Officer I	Trainee Customs Officer I	
Customs	636	1	9	47	58	233	221	1	66	
Large Taxpayers	75	1	2	9	22	30	4	7		
Medium & Small Taxpayers	209	1	6	21	49	103	12	17		
Operational Services	196	1	3	11	14	70	30	67		
Fiscal Investigations	54	1	2	7	17	18	1	8		
Objections, Appeals and Dispute Resolutions	64	1	4*	8	36	9	4	2		
Number of staff in the Support Departments	Total	Director General / Director	Assistant Director/ Section Head	Team Leader	Technical Officer	Officer/ Customs Officer II/ Psychologist	Customs Officer I/ Support Officer II	Support Officer I	Trainee Customs Officer I	
Director-General's Office	7	2**				1	3	1		
Finance & Administration	103	1	3	3	8	11	5	72		
Information Systems	49	1	3	4	20	20	1			
Legal Services	6			5				1		
Human Resources & Training	28	1	2	2	4	3	11	5		
Taxpayers Education & Communication	14		1		4	4	2	3		
Research Policy & Planning	8		1	3	3			1		
Internal Audit Division	17	1	1	3	8	3	1			
Internal Affairs Division	13			2	9		1	1		
GRAND TOTAL	1,479	12	37	125	252	505	296	186	66	

*Includes a facilitator in Special Tax Cases

** Includes a Technical Adviser to the 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

The recent recruitment of trainees and officers in tax and customs operations in the different batches and the replacement of retired staff has resulted into the age group 25 to below 35 being the predominant age group category at the MRA.

Chart 14.1: Age Profile at the MRA for the FY 2021/22

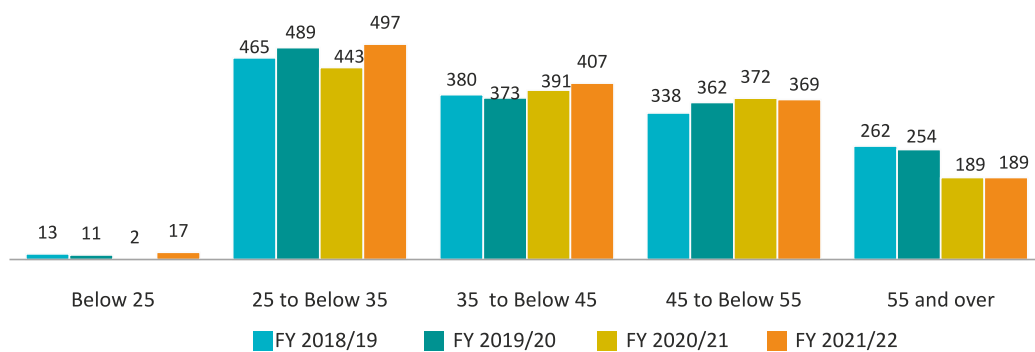
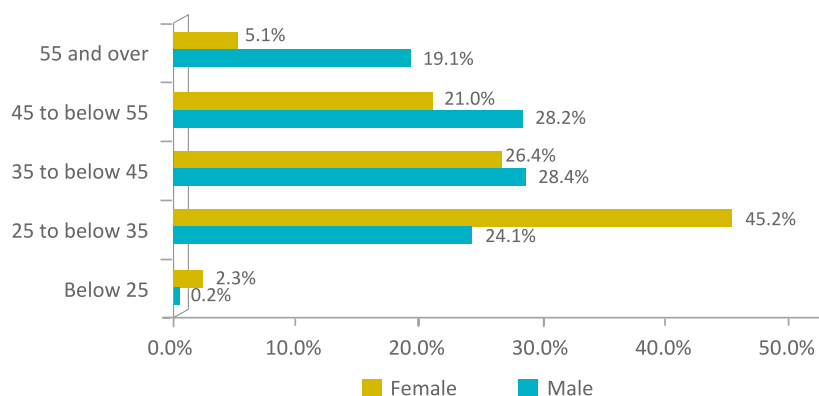
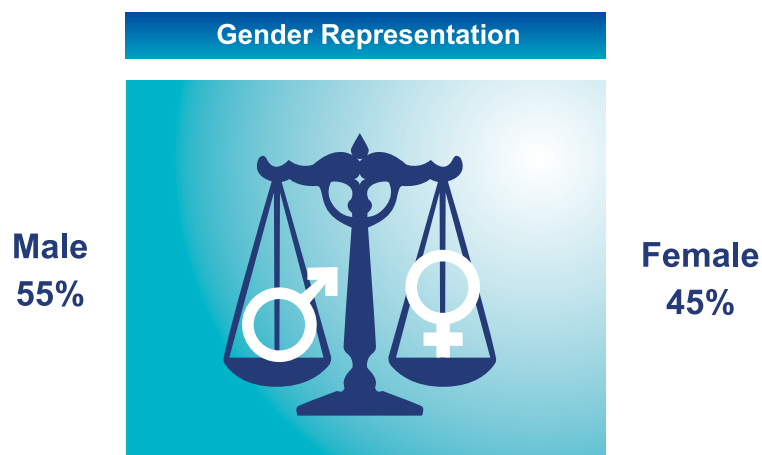


Chart 14.2: Age Profile by Gender at the MRA for the FY 2021/22

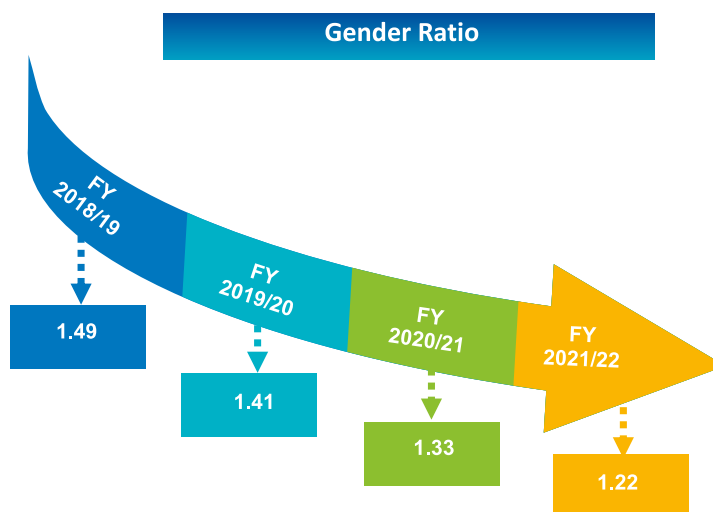


Females tend to be more predominant in the age category 25 to below 35 whereas males are more predominant in the age categories 35 to below 45, 45 to below 55 and 55 and over, respectively.

14.1.4.2. Profile by Gender



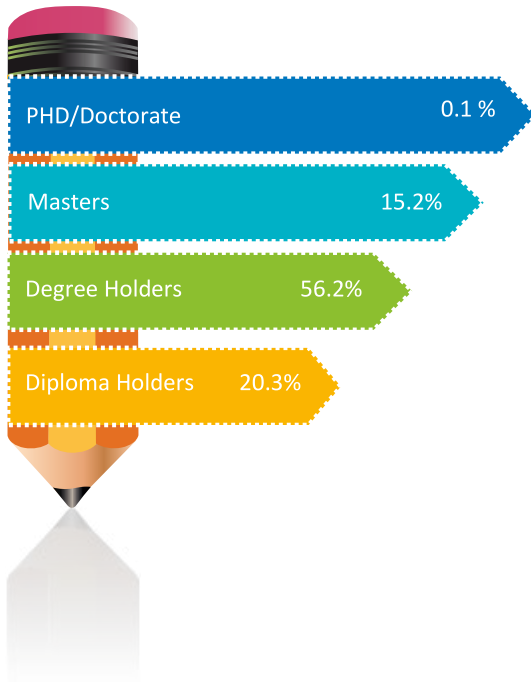
For the FY 2021/22, males made up 55% of the MRA workforce down by 2% from the last financial year.



As part of its commitment towards reducing gender inequality and with more females recruited over the last couple of years, the Gender Ratio at the MRA has continued to fall. For the FY 2021/22, for every 122 males, there were 100 females compared to 149 males to every 100 females in the FY 2018/19.

14.2. Academic qualifications

At the MRA, we pride ourselves as having a highly competent and professional staff to support the institution in its day to day activities. Whilst more than 90% of the MRA staff are diploma holders and above, we also have 197 staff members who are an ACCA Affiliate, 178 staff members who are ACCA members and 43 staff members who are an FCCA affiliate. We encourage our staff to continuously improve on their skills, to be up to date with the latest best work practices and we support that by providing the appropriate training sessions when and as needed.

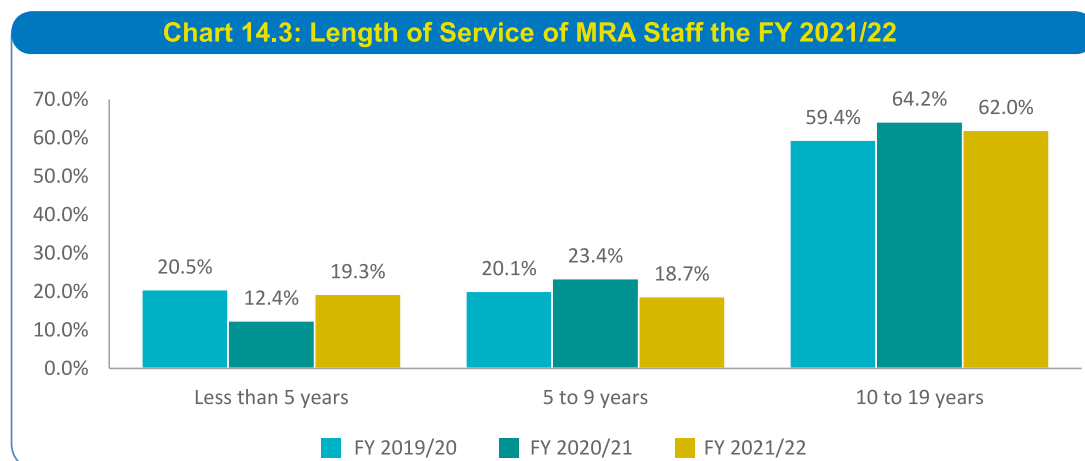


Induction of Support Officers 1

14.3. Length of service, staff disability and staff turnover

14.3.1. Length of Service

Staffs having more than 10 years of service still make up a high proportion of the staff employed at the MRA.



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 2021/22, 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 2021)	1,397
<u>Less:</u> Number of staff exiting (i.e.; resigned, dismissed, retired & passed away)	62
<u>Add:</u> Number of staff entering (i.e.; recruited)	144
Total Number of staff at the end of the year (i.e.; 30 June 2022)	1,479

MRA's staff turnover ratio for the FY 2021/22 stood at a low of 0.04%, the lowest it has been over the last 5 years. In the FY 2017/18, staff turnover was estimated at 1.04% while in the FY 2020/21, it was at 0.07%. The low staff turnover ratio, coupled with the high percentage of staff who have remained with the institution for 10 years and longer and the high number of applications received for job advertisements provides ample evidence that the MRA is an employer of choice among the working population.

14.4. Retirement, resignations, dismissal and end of contracts

In the face of the on-going loss of experienced staff to retirement, we continuously build capability with recruitment and are steadfast in our commitment to investment in training and staff development. The names of staff members who resigned during the year broken down by Customs, Tax Compliance and Support Departments are provided hereunder:

CUSTOMS DEPARTMENT

Mr ASIRIAH, Ramsamy	Mr GUNESS, Pranesswur	Mr MOHUN, Sooriaduth
Mr BAICHO, Hoomanchand	Mr HASOWA, Goorooduth	Mr PADAYATCHY, Govinden
Mr BISSESSUR, Mahundarsingh	Mr HOSENBUCUS, Mohamad Parvez	Mr ROHAN, Louis Herve Frantz
Mr DHOTAH, Praneswar	Mr JAULIM, Ranjand	Mr SEECHURN, Rajkishore
Mr FALLEE, Sateeadev	Mr JHURREEA, Danraj	Mr YERKIAH, Lutchminarain
Mr GHUNOWA, Sudheer	Mr JUTTON, Nitin Kumar	
Mr GOOLAM HOSSEN, Salim Mahmad	Mr KOON SUN WONG, Sze On	

TAX COMPLIANCE DEPARTMENTS – NON-CUSTOMS

Name	Department
Mr ANNEA, Boowonnandjee	Large Taxpayer
Mrs BAULAH, Nitra	Operational Services
Mr GOKHOOL, Sailesh Joy	Large Taxpayer
Mrs GUNESS, Beebee Faizah	Medium & Small Taxpayer
Mrs KUNDUN, Pratima	Operational Services
Mrs LALLJEELALL CHUKOWRY, Ashi	Medium & Small Taxpayer
Mr LEUNG YUNG PIOW, Georges	Medium & Small Taxpayer
Mrs PATEL VAVRA, Kareemah	Large Taxpayer
Mr SEECHURN, Pravin Kumar	Operational Services
Mr SEETOHUL, Neetyanand	Medium & Small Taxpayer
Mrs SOYFOO, Bibi Noosrah	Objections, Appeals and Dispute Resolutions
Mr SUMARUTH, Rada Mohun	Fiscal Investigations

SUPPORT DEPARTMENTS

Name	Department
Mr BUCKHORY, Dinesh Chandra	Finance & Administration
Mr NUNDALALEE, Nareskumar	Finance & Administration

Farewell Message by one of our Section Head in Customs

There comes a moment in our life when we have to leave our working environment to which we have been accustomed for so many years (47 years) and make room for others. My long career has been a rewarding one. Over the past years, I have witnessed the evolution and professionalism of our organization. Despite the various inherent challenges which characterized this progression, I consider myself as the privileged one.

During my career, I have had exposure with different ministries and organizations which contributed immensely in my self-development. Today I can say proudly that my enrolment as an officer of the Customs Department was a real blessing. Besides enabling me to achieve the goals I set in life, it enabled me to live a wonderful human experience. The experiences and values acquired over the years have enabled me to guide, shape and assist those who worked with me. All that would not have been possible without the support all staff. Moreover, the prevailing team and family spirit has been instrumental in keeping my passion for my job alive, particularly during tough times. I am grateful to all those who have, in one way or another, contributed in enabling me to have such a wonderful career.



Mr Maheswar GAUNPOT

During the financial year under review:-

- 20 staff members resigned;
- 1 Section Head completed his contract ; and
- 5 staff members passed away

14.5. Recruitment and selection

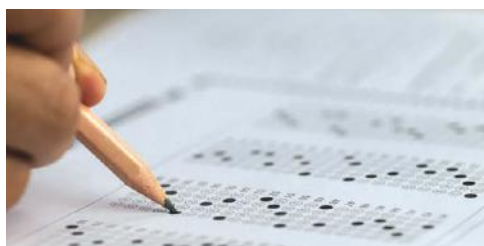
Our staffs are selected on competitive and merit based appointment processes. We have been successful in attracting, recruiting and retaining the talented, committed and ambitious candidates needed to support tax compliance and confront non-compliance.



14 JOBS ADVERTISED

APPLICATIONS RECEIVED

6,693



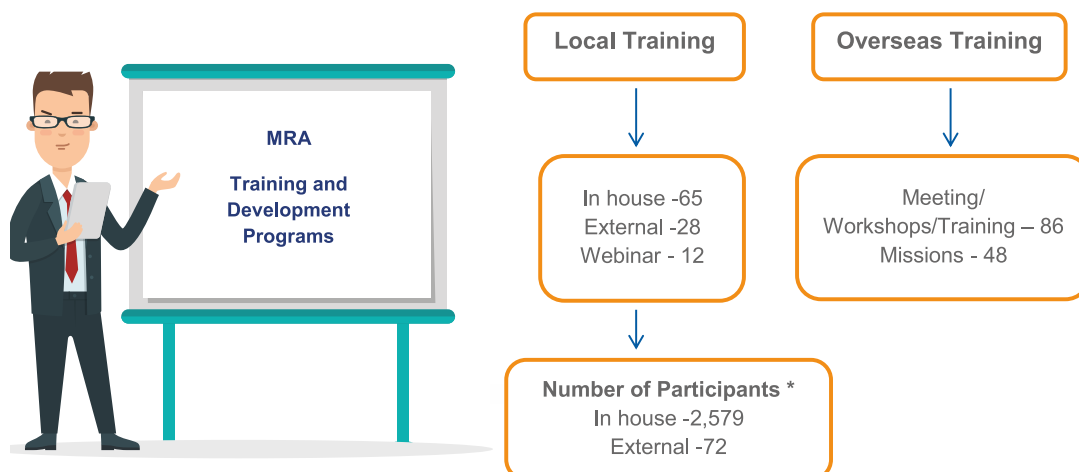
1,096 CANDIDATES CONVENED FOR WRITTEN EXAMINATIONS



523 CANDIDATES CONVENED FOR AN INTERVIEW

14.6. Training and development at the MRA

We, at the MRA, believe in the continuous development of our staff to keep themselves up to date with the latest best practices available on the market and to improve their skills so as to become more efficient. There were 239 training programs, both local and overseas, made available to MRA officers during the FY 2021/22, totalling 23,232 man days.



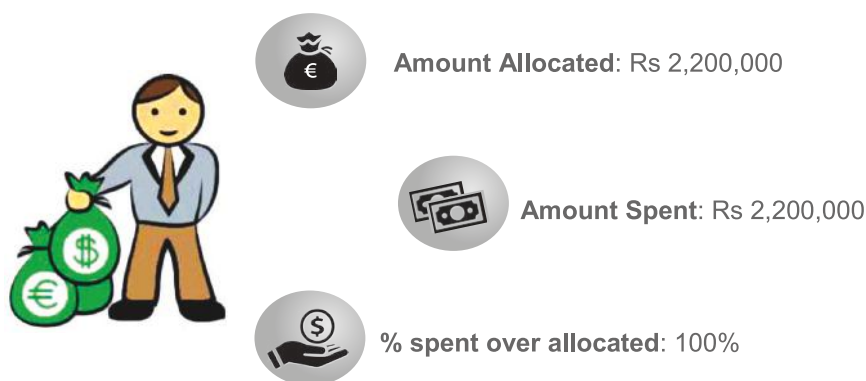
*A participant may have attended several training sessions



Training in Physical Security of Port Infrastructure

The amount allocated to training and development budget was increased from Rs 700,00 in the FY 2020/21 to Rs 2.2 million in the FY 2021/22.

Training Budget



14.7. Safety and health at the MRA

The Occupational Health and Safety Act (2005) requires for employers (including the self-employed) to manage safety and health in order to prevent workplace injuries and ill health. As such, every year, the MRA undertakes a series of safety and health initiatives during the year to educate staff members of the different safety and health practices in place at the MRA and to be better prepared in case of an emergency. Among the recurrent safety and health trainings such as Fire Safety Trainings, Manual Handling Trainings, new awareness campaigns such as sensitisation campaigns on “Breast and Cervical Cancer” and sensitisation campaign on “Food Waste” were also done. A complete breakdown of the activities carried out is detailed below:



First Aid Training

14.7.1. Safety and health awareness campaigns

Training/Awareness Programme	Date
Fire Safety Training	Tuesday 26 October 2021
Manual Handling Training	05 October 2021
Sensitisation on Breast & Cervical Cancer	Thursday 23 December 2021
Training on Basic Safety at Sea by Mauritius Maritime Training Academy	March – April 2022
Sensitisation on food waste reduction	Thursday 09 June 2022
Guidelines on how to assist unwell staff in office	Wednesday 01 June 2022
First-Aid Refresher Course	28,29, & 30 July 2021
COVID-19 Vaccination Campaign	28 September 2021- All staff @ BPML- Ebene
	April 2022 @ SVICC
Issuance of circular/guidelines regarding in view of prevailing COVID-19 Pandemic & Access Restriction	1. Guidance for COVID-19 scenarios at the workplace- 08 July 2021
	2. COVID-19 cases- 16 August 2021
	3. Seasonal Flu Vaccination campaign at the MRA- 06 August 2021
	4. COVID-19 cases- 16 August 2021
	5. Update on positive cases & work arrangement- 27 August 2021
	6. Work Arrangement- 16 November 2021
	7. Sanitary/hygienic measures in office- 09 February 2022
	8. Revised COVID-19 Protocol- 21 February 2022
	9. MRA COVID-19 Vaccination Arrangement- 27 April 2022
	10. World Day for Safety & Health- 28 April 2022
	11. Sanitary Measures- 03 June 2022
	12. Summary sheet Fully Vaccinated- 08 April 2022
	13. MRA COVID-19 protocol to SHs & TLs- 17 June 2021

14.7.2. Fire Drill Exercises



Fire Drill	Date
Fire Drill at Belfort Tower	02 December 2021 (table top)
Fire Drill at BSP	20 Dec 2021- physical
Fire Drill at Lux Shed	21 December 2021- physical
Fire Drill at Eham Court	17 March 2022 (table top)
Fire Drill at Custom House	17 March 2022 (table top)
Fire Drill at Belfort Tower	17 March 2022 (table top)



Training on use of fire extinguisher

14.8. Medical & Group Personal Accident Insurance Scheme

14.8.1. Medical Insurance Scheme



The Medical Insurance Scheme at the MRA exists since November 2008 for the benefit of all staff and their dependent, as well as retired MRA officers. The MRA subsidises 70% of the monthly premium for employees and the remaining 30% is borne by the staff. Under the Medical Insurance Scheme, the MRA staff benefits from various facilities such as maternity cash benefits, in-patient benefit, Dental options, Optometry, each with corresponding limits. Members can also top up their medical insurance scheme with a Catastrophe Cover, at an additional premium whereby the cost is born entirely by the latter.

As at 30 June 2022, there were 1,313 MRA and 657 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 and/or their families in the event of disability or death resulting from an accident. 16 claims have been processed and staff have benefitted from a total amount of Rs 712, 752.09 during the last financial year.

14.9. Major projects implemented during the year

In line with the organisation's strategies to improve the quality of its people and ensure that the facilities and other services provided to staff are constantly enhanced, during the FY 2021/22, the MRA undertook a series of projects as listed below:

- Online Statement of Emoluments
- Online Processing of allowance of Police Officers, seconded at the MRA
- Online Application for Medical scheme
- Online COVID Vaccination Status
- Online Attendance Recording Facility
- Online COVID Vaccination Leave
- Enhancements brought to the Taleo Online Recruitment Platform
- Modules added to the MRA E-learning platform

14.10. Other activities

14.10.1. Staff Welfare

The MRA believes in the welfare of its staff and has during the year, organised the following activities:

- Several sensitisations, both onsite and through emails, conducted during and after lockdown regarding sanitary precautions to be taken during the pandemic
- Vaccination campaigns against COVID-19 conducted for MRA staff posted at the different MRA premises
- PCR Tests conducted for front liners
- Talk on Food safety
- Talk on Breast Cancer
- Sensitisation on Food Waste Reduction
- Guidelines issued to staff on regarding precautions to be adopted in view of prevailing COVID-19 pandemic
- Training on Fire Safety
- Training for Front liners posted at Airport
- Briefing for Fire Wardens
- Provision of Dosimeters to staff working in Scanning Units
- Provision of Personal Protective Equipment issued to concerned officers
- Fire Drills conducted at the different premises (Ehram Court, Belfort tower, Lux Shed, Custom House & BSP)
- Team Building exercises mounted in collaboration with the Mauritius Police Force
- Improved relations/communication with staff through regular visits to address issues/queries
- Sensitisations conducted by the Psychologist with staff
- Focus Group Discussions held for staff with Psychologist
- Implementation of Disaster preparedness Plan
- Risk Assessment conducted

14.10.2. Staff Initiatives

MRA has always strived to provide a conducive working environment and has provided staff with the following intrinsic and extrinsic factors during the year:

- Performance bonus to staff who exceed expectations and contribute significantly to the objectives of their department
- Opportunity to enrol on e-learning courses offered by various international as well as local organisations
- On-going Training for officers in the different grades
- Study leave granted for both revision and exam purposes
- Increase in the number of leaves for the welfare of staff
- Deferred duty free facilities and loans at preferential interest rates extended to a larger number of staff
- Reshuffling of staff in Compliance and Customs Departments to build up their skills and competencies
- Collective Agreement in place that defines the terms and conditions of service for MRA staff
- Regular Onsite Visits by HRTD staff to address difficulties of staff
- Assistance of Psychologist to staff in need and conduct of focus group discussions
- Work from Home (WFH) in place, where appropriate
- Team Building exercises organized to build synergy among colleagues staff
- Medical Insurance and Group Personal Accident Schemes in place
- Flexitime Scheme in place to provide staff with flexible working hours
- Provision of Personal Protective Equipment provided for the safety of staff
- Payment of unutilized sick leave
- New building, namely Integrated Customs Clearance Centre for staff posted at PATS

14.11. Future Projects

The MRA is always striving to provide the best of services for both its internal and external stakeholders. Accordingly, for the next financial year, it is working towards implementing the following:

- Creation of HR Registry/Centralised Filing System
- E-Records of Incomings/Files System
- HRTD Internal Control Team
- Promotion of Gender Cell

14.12. Accolades

Despite the lockdown, the MRA carried out business as usual and was able to collect some awards as listed below:

- Mauritius, represented by the MRA, Customs Department was the winner for the Annual East and Southern Africa (ESA) region 'Sotho Photo' contest in 2022.
- Appreciation letter received from World Customs Organisation Regional Office for Capacity Building East & Southern Africa (WCO RO CB ESA) in June 2022 for the participation of three (03) officers in the Gender Equality, Equity and Diversity Working Group. Certificates of Recognition were presented to the 03 officers.

- Appreciation letter received from World Customs Organisation Regional Office for Capacity Building East & Southern Africa (WCO ROCB ESA) in June 2022 for the development of the WCO ESA Regional Strategy 2022-2025. Four (04) officers received Certificates of Recognition for their work.
- MRA Toastmasters Club participated in the Toastmasters International Contest 2021 and one staff won the 1st place in the Table Topics contest at Area level, 1st place in the Table Topics contest at Division level and semi-finalist at the District level.
- 13 staff awarded Certificates of Merit on the World Customs Organisation International Customs Day

14.13. Corporate Social Responsibility (CSR) Activities

- Fund raising to assist families of 3 MRA staff who passed away
- Fund raising to assist family of one officer to undergo operation/surgery
- Voluntary contribution of fund a charitable organisation ' Bonheur Associé aux enfants'
- Contribution towards 'Poppy Day' Appeal
- Food donation to 'Foyer Mgr. Leen'



Training on Food Safety at the MRA



Annual Blood Donation at the MRA

**Using technology to facilitate taxpayers &
track tax evaders...**



...and ensure a level playing field

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

Main Projects Implemented during the year



Portable Retirement
Gratuity Fund



Virtual File and e-Case
Management Solution



Subsidy on Essential
Goods



Online Application for
Refund of VAT on
Residential Property



Implementation of
Machine Learning

Main Projects under Implementation



Taxpayer Space



Central Electronic
Monitoring System for
Gaming Machine (CEMS)



MyT Money and Juice



Instant Payment
System



E-Invoicing

PROJECTS IMPLEMENTED

With the aim of achieving its strategic objectives, the MRA has relied on the use of innovative technologies. New systems, processes and procedures are critical in enhancing taxpayer facilitation, promoting voluntary compliance and detecting tax non-compliance. The following are some of the main process enhancements which have been made during the current year.

Portable Retirement Gratuity Fund

01

The Portable Retirement Gratuity Fund (PRGF) is administered by the Ministry of Social Security, National Solidarity and Reform Institutions (Administrator). It is established under the Workers' Rights Act 2019 for the purpose of providing a gratuity to a worker under employment or being self-employed on his retirement or to his legal heirs in case of the death of the worker. MRA has developed an end-to-end system for the Administrator to carry out benchmarking and the payment of gratuity on its core tax administration system (ITAS).

As from January 2022, PRGF is payable through a monthly return and a past services return at the MRA. Whenever a worker exits from an employment, the employer of the worker should submit an Exit statement to the MRA. The Exit statement gives rise to a benchmarking exercise when it is vetted by the Administrator. Benchmarking, in turn, gives rise to either a shortfall or a surplus on the PRGF account of the employer. In order to be paid a gratuity on his retirement, a worker or self-employed or the legal heirs in case of death of the worker/self-employed must submit an application to the Administrator. Staff of the Administrator must then input and approve the payment of gratuity on MRA e-services for the payment of gratuity to be credited directly to the bank account of the beneficiary.

Subsidy on Essential Goods

02

Further to the promulgation of the Consumer Protection (Maximum Price of Essential Goods) Regulations, the Ministry of Finance, Economic Planning and Development entrusted the Mauritius Revenue Authority (MRA) the responsibility to effect payment of subsidy on a monthly basis on essential goods to eligible traders at the appropriate rate. This measure aimed at improving maintaining the purchasing power of consumers and was in effect from July 2021 to June 2022.

The MRA devised an application to facilitate traders to register for the scheme on the MRA e-services platform. Trade Licence Data from Registrar of Companies were used to validate the applications. Online facilities were also provided for traders to submit details of purchases and sales of essential goods to licensed retailers made during the month. All subsidy payments were done through the EFT service of Bank of Mauritius.

Online application for Refund VAT on residential property

03

Changes in the Finance Act 2021 concerning applications for VAT refund on the construction of a residential building or the purchase of a residential apartment or house from a property developer has resulted in a substantial increase in the number of applications. In response, the MRA deployed an online platform for refund application in order to facilitate both MRA officers and applicants, impacting positively on the efficiency and performance of the whole refund process.

Virtual file and e-Case Management Solution

04

The virtual file and e-Case Management software allows for virtual audits and increases the efficiency and productivity of the entire audit process including risk assessment, scheduling, planning, execution, report generation, trend analysis, reporting and storage.

The solution is being utilised full-fledged at one support division and was used as a pilot in the compliance departments. As the solution is scalable and extensible, the latest up-to-date version was installed to be adopted enterprise-wide so that other departments can use it. The new platform is web based with a centralised repository and an advanced electronic working papers database that also provide officers 'Working From Home' with enhanced capabilities for capturing non-compliance and risks, enforce real time tracking and monitoring of cases with automated workflows. The support division is progressively transitioning to the new platform.

Implementation of Machine Learning

05

Since 2020, MRA has been collaborating with the main product vendor, a market leader in ERP solutions, in developing a solution based on Machine Learning for analysing the behaviour of taxpayers in order to proactively take appropriate actions to promote compliance. As such, MRA became the first customer of the product vendor to install and implement the Machine Learning solution. It is already configured for three scenarios, namely predicting the risks of late payment, late filing and going into receivership. The product vendor has continued supporting MRA with this product and has recently provided an upgrade which will allow MRA to implement its own scenarios besides the three main scenarios mentioned above. The upgrade will be carried out by December 2022.

PROJECTS UNDER IMPLEMENTATION

The MRA is confident of further leveraging on technology to modernise both its internal processes and in providing facilitation to taxpayers in innovative ways. The main upcoming projects which will be the focus of our attention for the next year are highlighted in this chapter.

E-Invoicing

As announced in the Budget Speech of 2022/2023, the MRA will be implementing an electronic invoicing system. The aim is to use a device-less and software-based solution to gather invoices and receipts, fiscalise them and send back fiscalised invoices or receipts in real time to the calling online Point of Sale / Electronic Cash Register / Billing System / ERP. A roadmap is being prepared for the phase-wise implementation of e-invoicing system and will be submitted by December 2022.



Central Electronic Monitoring System for Gaming Machines (CEMS)

The CEMS tender for Gaming machines has been launched in financial year 2021/2022. In the financial year 2022/2023, the evaluation and award exercises will be concluded. Implementation of the Phase I targeting Gaming Machines is expected to be kicked-off this year.



Instant Payment System (IPS)

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. The IPS will also cater for transactions in foreign currencies.



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 Rs 50,000 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.



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 helps MRA to improve its initiative and contribution to the development of a paperless office by reducing paper-based communication.



16. MAIN TAX CHANGES 2022

16.1. Income Tax: Individuals

Tax Measures		Implementation								
New Tax rate for individuals <table><tr><th>An individual having an annual net income –</th><th>Rate of income tax</th></tr><tr><td>(a) not exceeding 700,000 rupees</td><td>10 per cent</td></tr><tr><td>(b) exceeding 700,000 rupees but not exceeding 975,000 rupees</td><td>12.5 per cent</td></tr><tr><td>(c) exceeding 975,000 rupees</td><td>15 per cent</td></tr></table>		An individual having an annual net income –	Rate of income tax	(a) not exceeding 700,000 rupees	10 per cent	(b) exceeding 700,000 rupees but not exceeding 975,000 rupees	12.5 per cent	(c) exceeding 975,000 rupees	15 per cent	Income year commencing on 1 July 2022
An individual having an annual net income –	Rate of income tax									
(a) not exceeding 700,000 rupees	10 per cent									
(b) exceeding 700,000 rupees but not exceeding 975,000 rupees	12.5 per cent									
(c) exceeding 975,000 rupees	15 per cent									
Additional Deduction for Tertiary Education Deduction in respect of a dependent child pursuing non-sponsored full-time undergraduate or postgraduate course increased from Rs 225,000 to Rs 500,000		Income year commencing on 1 July 2022								
Relief for Medical or Health Insurance Premium The maximum allowable deduction for Medical or Health Insurance Premium increased as follows – (i) Rs 20,000 to Rs 25,000 for an individual and his first dependent; and (ii) Rs 15,000 to Rs 20,000 for every other dependent.		Income year commencing on 1 July 2022								
Contribution to approved personal pension schemes The maximum allowable deduction of Rs 30,000 in respect of contributions made to an approved personal pension scheme increased to Rs 50,000.		Income year commencing on 1 July 2022								
Donation to charitable institutions The maximum allowable deduction of Rs 30,000 in respect donation made by an individual through electronic means to a charitable institution increased to Rs 50,000.		Income year commencing on 1 July 2022								
Deduction for Dependent who is a Bedridden Next of Kin An individual taxpayer will henceforth be able to claim his/her spouse as a bedridden next of kin		Income year commencing on 1 July 2021								
Exempt income (i) The maximum allowable deduction for petrol or travelling allowance paid to an employee making use of a private car to attend duty for the performance of his duties increased from Rs 11,500 to Rs 20,000. (ii) The Social contribution income allowance received by a person under Sub-part IIIB of Part III of the Social Contribution and Social Benefits Act 2021.		Income year commencing on 1 July 2022								
Angel Investor Allowance An angel investor investing in an income year a minimum of Rs 100,000 to the seed capital of a qualifying start-up SME by way of acquisition of shares shall be entitled to a relief, by way of a deduction from his net income, of 50% of the amount invested in that income year.		Income year commencing on 1 July 2022								
Tax credit for employees Repeal of the 5% allowable tax credit		Income year commencing on 1 July 2022								
Prime à l’Emploi Scheme Every eligible employer shall be paid in respect of every approved eligible employee, an allowance equivalent to the basic wage or salary of that employee for that month, not exceeding Rs 15,000, in the month he is employed and in the next 11 consecutive months immediately following the month of employment.		Finance Act 2022								

16.2. Income Tax: Companies

Tax Measures	Implementation
● Income Tax Holiday 8-year exemption on income derived by: (i) a company starting operation on or after 1 July 2022 and issued with a certificate as a Freeport operator or private Freeport developer under the Freeport Act. (ii) a person using an innovative agricultural method under the Integrated Modern Agricultural Morcellement Scheme. (iii) person engaged in sustainable agricultural practices.	Year of assessment commencing on 1 July 2023
● Tax Deduction at Source (TDS) (i) Withholding tax of 3% introduced on – (a) Payment to consultants other than those specified in the Fifth Schedule; (b) Payment made to a provider of security services, cleaning services or pest management services and other ancillary services; and (c) Payment made by insurance companies to motor surveyors and mechanics, (ii) The TDS rate on: (a) services provided by professionals in the Fifth Schedule increased from 3% to 5%; and (b) rent paid to a resident increased from 5% to 7.5%.	Come into operation on 3 October 2022 Come into operation on 3 October 2022
● Foundations and Trusts MRA empowered to request information from a Foundation or Trust	Finance Act 2022
● Global Minimum Tax A company forming part of an MNE group which is liable to a Top-up Tax in a year may be required to compute and pay a Qualified Domestic Minimum Top-up Tax in such form and manner as may be prescribed.	On a date to be fixed by proclamation
● E-Publication of Names of Companies not Submitting Returns Publication of the name of a company which has not filed its income tax return on the website of the MRA instead of publishing same in the newspapers.	Finance Act 2022
● Expenditure incurred by manufacturing companies on products manufactured locally by small enterprises Additional tax deduction available to manufacturers on purchases of locally manufactured products from small and medium enterprises with a turnover not exceeding Rs100m as follows: (a) 10 per cent of the amount of expenditure incurred during the period starting on 1 July 2021 and ending on 30 June 2022; and (b) 25 per cent of the amount of expenditure incurred as from 1 July 2022.	Year of assessment commencing on 1 July 2023

16.3. Value-Added Tax

Tax Measures	Implementation
● E-publication of names of persons not submitting returns Where a registered person fails to submit a return, the name and address of the taxable person and his directors and the taxable period in respect of which the return has not been submitted will be published electronically.	3 October 2022
● Publishing list of all VAT-registered persons A list of all VAT-registered persons will be published on the website of MRA and updated on a quarterly basis.	3 October 2022
● Refund of VAT to event organisers Claim for refund of VAT in respect of accommodation costs can be made on event attended by not less than 50 visitors.	Finance Act 2022
● Refund of VAT to persons on residential building, house or apartment (i) Refund shall be made 30 days from the date of receipt of all documents in support of the application instead of 30 days from the date of receipt of the application. (ii) To be eligible for refund the floor area of the residential building, or house or apartment in accordance with the approved Building and Land Use Permit shall not exceed 1,800 square feet.	Finance Act 2022
● List of beneficiaries of the VAT Refund Scheme Extended to include a group of small farmers, such as a farmers' association, society, company or co-operative owned by a small farmer or a group of small farmers and having an annual turnover not exceeding Rs 10 million, which is registered with the Small Farmers Welfare Fund under the Small Farmers Welfare Fund Act.	Finance Act 2022
● Zero-rated supplies Include Diagnostic or laboratory reagents	1 January 2022
● E-Invoicing Setting up of an e-invoicing system to allow a business to – (a) connect electronically to the system for registering thereon all invoices, including debit notes and credit notes, generated in the furtherance of the business; and (b) issue fiscal invoices to customers.	Finance Act 2022
● Deduction of amount from VAT by Public Sector Agency A public sector agency making payment to a registered person in respect of specified goods and services, shall, at the time of payment, deduct, from the amount of VAT chargeable on the goods and services, an amount representing the appropriate specified rate of deduction.	Finance Act 2022
● Deceased person Where a taxable person dies, any heir/legatee who accepts the succession of his estate or any executor/liquidator of his estate will be deemed to be an agent of the deceased and be liable to pay VAT collected but not remitted on taxable supplies made by the taxable person in the course or furtherance of any business carried on by the taxable person.	3 October 2022

16.4. Other Measures

Tax Measures	Implementation
Alternative Tax Dispute Resolution The threshold to appeal reduced from Rs 10 million to Rs 5 million.	Through Regulation
Tax Arrears Settlement Scheme (TASS) Full waiver of penalties and interests for tax arrears outstanding as at 7 June 2022 under the Income Tax Act, the Value Added Tax Act and the Gambling Regulatory Authority Act, provided that an application for the reduction is made by 31 December 2022 and the arrears are fully paid on or before 31 March 2023.	Finance Act 2022
Mediation Where the Chairperson or Vice-chairperson considers that the issues raised in a written representation can be resolved through mediation, then with the consent of the parties a mediation meeting may be fixed.	Finance Act 2022
MRA Board Provision for the appointment of an additional member on the board of the MRA	Finance Act 2022

16.5. Customs & Excise

16.5.1. Excise Duty

Items	Measures			Implementation
(a) Alcoholic products	Effective as from 8 June 2022, the following rates of excise duty on alcoholic products are applicable –			Effective as from 8 June 2022 by way of Resolution
	Alcoholic Product	Current	New	Resolution validated by section 84 of the Finance (Miscellaneous Provisions) Act 2022
	Beer (per litre)			
	Up to 9 degrees	● Rs 43.60	● Rs 48.00	
	Above 9 degrees	● Rs 60.60	● Rs 66.65	
	Spirit Cooler (per litre)	Rs 56.90	Rs 62.60	
	Fruit Wine (per litre)	Rs 35.30	Rs 38.85	
	Made Wine (per litre)	Rs 75.70	Rs 83.30	
	Wine of grapes (per litre)			
	In Bulk for Bottling Purposes	● 121.70	● 134.00	
	In Bottle	● 213.40	● 234.75	
	Champagne (per litre)	Rs 1,016.40	Rs 1,118.00	
	Rum (per litre of absolute alcohol)	Rs 598.40	Rs 658.25	
	Cane Spirits (per litre of absolute alcohol)	Rs 598.40	Rs 658.25	
	Whisky (per litre of absolute alcohol)			
	In Bulk for Bottling Purposes	● 1,156.00	● 1,271.60	
	In Bottle	● 1,848.00	● 2,032.80	
	Liqueur (per litre of absolute alcohol)	Rs 406.60	Rs 447.25	

Items	Measures			Implementation
(b) Tobacco Products	Effective as from 8 June 2022, the following rates of excise duty on tobacco products are applicable –			Effective as from 8 June 2022 by way of Resolution
	Tobacco Product	Current	New	Resolution validated by section 84 of the Finance (Miscellaneous Provisions) Act 2022
	Cigars (Per Kg)	Rs 19,430	Rs 21,313	
	Cigarillos (Per Thousand)	Rs 11,345	Rs 12,480	
	Cigarettes (Per Thousand)	Rs 5,625	Rs 6,188	
(c) Motor Vehicles	Customs duty and excise duty have been removed on Hybrid and Electric Motor Vehicles			Effective as from 20 June 2022. Regulations 3(a)(iii) and (iv) of Customs Tariff (Amendment of Schedule)(No.3) Regulations 2022 – G.N. No. 149 of 2022 Regulation 3(a) of the Excise (Amendment of Schedule)(No. 2) Regulations 2022 – G.N. No. 150 of 2022
	An individual who has, during the period starting on 1 July 2022 and ending on 30 June 2023, purchased an imported electric motor car or electric motor vehicle for the transport of goods may make a claim to the Director-General for an amount to be paid to him in the sum of 10 per cent of the value at importation or 200,000 rupees, whichever is lesser.			Effective as from 1 July 2022. Section 52C has been introduced in the Excise Act by section 21(h) of the Finance (Miscellaneous Provisions) Act 2022.
	(i) The rebate on the amount of customs duty or excise duty payable on certain types of motor vehicles has been extended-up to 30 June 2023. The following revised rates of rebate on customs duty / excise duty are being applied on all conventional vehicles cleared on or after 1 July 2022 and up to 30 June 2023:			Effective as from 1 July 2022 Amendments to the Customs laws were made to capture the revised rates of rebate on customs / excise duty
	Motor Vehicles		Revised Rebate on Customs/Excise Duty	
	Buses		45% of the customs duty payable on the bus.	
	Motor Cars			
	With engine capacity not exceeding 1,000 c.c.		55% of the excise duty payable on the motor car.	
	With engine capacity exceeding 1,000 c.c		45% of the excise duty payable on the motor car.	
	Other Vehicles			
	Double space cabin vehicles, single space cabin vehicles or vans		45% of the excise duty payable on the vehicle.	

Items	Measures	Implementation
	(ii) Any person operating a museum for motor vehicles and holding an Investment Certificate issued by the Economic Development Board shall benefit- (a) customs duty and Value Added Tax (VAT) exemption on – (i) construction of a purpose-built building or facility to operate the museum for motor vehicles; (ii) motor vehicles for exhibition in the museum and spare parts to be used exclusively for the motor vehicles; (iii) automobilia for exhibition in the museum. (b) excise duty exemption on motor vehicles for exhibition in the museum;	Effective as from 2 August 2022. The Finance (Miscellaneous Provisions) Act 2022 introduced – (a) item E111 in Part II of the First Schedule to the Customs Tariff Act - <i>section 14(b) of FA 2022</i> (b) item 93 in Sub-Part A of Part IA of the First Schedule to the Excise Act - <i>section 21(j) of FA 2022</i> (c) item 28 in the Ninth Schedule to the VAT Act - <i>section 78(t) of FA 2022</i>
(d) Beverages in Cans	Excise duty of Rs 2 per can has been extended to other beverages in cans.	Effective as from 8 June 2022 by way of Resolution Resolution validated by section 84 of the Finance (Miscellaneous Provisions) Act 2022 Part I of the First Schedule to the Customs Tariff Act amended by regulations 3(a)(i) and (ii) of Customs Tariff (Amendment of Schedule)(No.3) Regulations 2022 – G.N. No. 149 of 2022 to cater for H.S Codes
(e) Excise Duty on Sugar Sweetened Products	The implementation of the excise duty of 6 cents per gramme of sugar on locally manufactured and imported non-staple sweetened products will be effective on 1 July 2025.	Part I of the First Schedule to the Excise Act amended as per section 21(j)(A)(III) & (IV) of the Finance (Miscellaneous Provisions) Act 2022

16.5.2. Tax Administration – Customs Act

Measures	Implementation
(i) A definition of “audit-based” control under Customs Laws has been introduced in line with the Provisions of the Revised Kyoto Convention which is the World Customs Organisation blueprint for modern and efficient customs procedures.	Effective as from 2 August 2022. Amendments have been made by the Finance (Miscellaneous Provisions) Act 2022 to section 2 of the Customs Act - <i>section 13(a) of FA 2022</i>
(ii) Goods, purchased by a departing citizen of Mauritius free of duty, excise duty and taxes under the Deferred Duty and Tax Scheme and imported by him, shall not be liable to the payment of duty, excise duty and taxes.	Amendments to the Customs Regulations 1989 will be made to capture this measure, which shall be effective upon gazetting of the Regulations.

Measures	Implementation
(iii) The payment of duty, excise duty and taxes, with respect to a bill of entry, shall be effected not more than 3 working days after a payment instruction has been given by an importer or his representative. This will ensure that payments are effected in a timely manner as well as provide clarity on the time of application of late payment penalty and interest.	Effective as from 3 October 2022. Amendments to section 9A(2) of the Customs Act by section 13(b) (i) of the Finance (Miscellaneous Provisions) Act 2022
(iv) The provisions related to the requirement of security by bond will be harmonized throughout the Customs laws. With these amendments, at least one surety, for security by bond will be required which in the Director-General's opinion, is adequate.	Effective as from 3 October 2022. Amendments brought by the Finance (Miscellaneous Provisions) Act 2022 to sections 9A(3), 9B(2)(e), 39(3), 118(1) and 146(1) of the Customs Act. For the proper implementation of this measure, amendments will also be made to the Customs Regulations 1989 and the Excise Regulations 1994.
(v) The penalty provision for failure to submit a Bill of Entry for the clearance of goods within 5 working days after the time an aircraft has landed or a vessel has been berthed has been suspended up to 30 June 2023.	Effective as from 10 March 2021. New subsection (3) has been introduced in section 168 of the Customs Act by section 13(v) of the Finance (Miscellaneous Provisions) Act 2022
(vi) The implementation of the penalty provision applicable upon failure by a master/agent to make amendments to his aircraft/vessel manifest within 5 working days after the aircraft has landed or the vessel has been berthed has been deferred until 30 June 2023.	Amendments to the Customs Regulations 1989 will be made to capture this measure, which shall be deemed to be effective as from 2 February 2022.
(vii) In addition to the making of objection in an approved form, provision has been made to allow a stakeholder to make an objection to a decision of MRA Customs electronically.	Effective as from 2 August 2022. Amendments brought by the Finance (Miscellaneous Provisions) Act 2022 to sections 15(2)(a) and (ca), 23(5)(a) and (ca), 24(4)(a) and (ca), 24A(3)(a) and (ca) of the Customs Act.
(viii) It has been clarified that an objection by a stakeholder to a decision of MRA Customs should be made in the approved form and not by way of a letter.	Amendments to the Customs Regulations 1989 and the Excise Regulations will also be made to capture this measure.

Measures	Implementation
(ix) Any amount of duty or excise duty paid in excess of the amount determined to be payable, shall be refunded, together with interest at the prevailing Repo rate determined by the Bank of Mauritius, where the Objection Directorate allows an objection, in whole or in part.	Effective as from 2 August 2022. Amendments brought by the Finance (Miscellaneous Provisions) Act 2022 by introducing subsection (2A) in section 23 of the Customs Act - <i>section 13(g) of FA 2022</i>
(x) Provision has been made to allow MRA Customs to communicate valuation information to Ministries/Departments upon request provided authorisation is obtained from the Minister of Finance, Economic Planning and Development.	Effective as from 10 August 2021. Subsection (1) has been introduced in section 19A of the Customs Act by the Finance (Miscellaneous Provisions) Act 2022
(xi) The Industrial Property Act has made provision for the protection of the Intellectual Property Rights of an owner of a utility model, layout design, breeder's right, trade name and geographical indication. Consequential amendment has been made to the Customs Act for the protection of these rights at the border and in the local market.	Effective as from 2 August 2022. The heading of Part IV and sections 66A (1), (1A)(a), (3)(a), 66C(3), 66D, 66E of the Customs Act have been amended by section 13(k) of the Finance (Miscellaneous Provisions) Act 2022
(xii) A penalty of Rs 5,000 per day of non-compliance up to a maximum of Rs 50,000 will be applicable where the proprietor/occupier of a bonded warehouse fails to - (A) keep records of goods received into and delivered from his warehouse. If this offence is committed more than three times in a calendar year, his authorisation to operate a bonded warehouse may be revoked or altered; (B) record entries in real time on the approved computerised warehouse management system and give MRA Customs online access in cases where he has been authorised to operate his warehouse without Customs locks and the presence of Customs officers. If this offence is committed more than three times in a calendar year, his authorisation to operate a bonded warehouse may be revoked or altered; (C) equip his bonded warehouse with a CCTV system and/or does not give online access to MRA Customs. In case of non-compliance within a period of six months, his authorisation to operate a bonded warehouse may be revoked or altered; or (D) submit a 12 months statement of stock duly certified by an auditor within one month after the end of the month in which the stocktaking was carried out. His authorisation to operate a bonded warehouse may also be revoked or altered.	Measure at paragraph (A), shall be effective 3 months from 2 September 2022. Subsections (3B) and (4) have been introduced in section 67 of the Customs Act by section 13(l)(i) and (ii) of the Finance (Miscellaneous Provisions) Act 2022 Measures at paragraph (B), (C) and (D) shall be effective as from 1 December 2022. Amendments to the Customs Regulations 1989 will be made to capture these measures. Consequentially, - (a) section 2A(1) of the Customs Act has been amended by section 13(i)(i) of the Finance (Miscellaneous Provisions) Act 2022; (b) the Fifth Schedule of the MRA Act has been amended by section 43(k) of the Finance (Miscellaneous Provisions) Act 2022.
There will be a right of appeal against the penalty. Consequential amendment has been made in the MRA Act regarding appeal at the level of the ARC.	

Measures	Implementation
(xiii) It has been clarified that, where the appointment of a bonded warehouse is revoked by notice in writing - (A) the duty, excise duty, taxes on all the warehoused goods will have to be paid by the proprietor/occupier to the satisfaction of the Director-General within two months of the date of revocation; or (B) the owner of the goods shall remove the goods to another approved warehouse or export the goods, within two months of the date of revocation.	Effective as from 3 October 2022. Section 69 of the Customs Act has been amended by section 13(m) of the Finance (Miscellaneous Provisions) Act 2022
(xiv) The master/agent or representative of a vessel may be authorised to submit a consolidated Bill of Entry in respect of bunker fuel loaded during a month on vessels bound for the high seas to reduce the administrative burden.	Effective as from 2 August 2022. Subsections (6) and (6A) have been introduced in section 105A of the Customs Act by section 13(n) of the Finance (Miscellaneous Provisions) Act 2022
(xv) Where a broker or Freight Forwarding Agent informs MRA Customs that he has ceased or intends to cease operation, MRA Customs will be empowered to revoke his authorisation to act as broker or Freight Forwarding Agent.	Effective as from 2 August 2022. Subsections (5B) has been introduced in section 119 of the Customs Act by section 13(n) of the Finance (Miscellaneous Provisions) Act 2022
(xvi) Where a broker or Freight Forwarding Agent has committed a breach entailing suspension but the breach relates to a specific function, MRA Customs has been empowered to allow the broker or Freight Forwarding Agent to continue carrying out those functions where there has been no breach on such terms and conditions as the Director-General may determine.	Effective as from 2 August 2022. Subsections (5C) has been introduced in section 119 of the Customs Act by section 13(n) of the Finance (Miscellaneous Provisions) Act 2022
(xvii) Following the repeal of the Independent Tax Panel under the MRA Act, consequential amendment has been made to remove the reference to the guidelines of the Independent Tax Panel when considering the waiver of penalty, interest, surcharge or rent.	Effective as from 2 August 2022. New subsection (1) has been introduced in section 125A of the Customs Act by section 13(q) of the Finance (Miscellaneous Provisions) Act 2022

Measures	Implementation
(xviii) Where, during the enforcement of customs laws, including audit-based control, books and records requested from an importer, exporter, freight forwarding agent or broker are not submitted or access to computers and other electronic devices is not granted to the satisfaction of the Director-General, the latter has been empowered to raise a claim, by way of notice, for the underpayment or non-payment of duty, excise duty and taxes, based on information available. There will be a right of appeal against the claim. Consequential amendment has been made in the MRA Act regarding appeal at the level of the ARC.	Effective as from 2 September 2022. The Finance (Miscellaneous Provisions) Act 2022 has amended Subsection (1A) has been introduced in section 127A of the Customs Act by section 13(r)(ii) Consequently, - (a) section 2A(1) of the Customs Act has been amended by section 13(i)(i) of the Finance (Miscellaneous Provisions) Act 2022; (b) the Fifth Schedule of the MRA Act has been amended by section 43(k) of the Finance (Miscellaneous Provisions) Act 2022.
(xix) With a view to ensuring that customs enforcement is carried out in a secured manner, MRA Customs has been empowered to prohibit the use of electronic communication devices within a customs area or in any place in Mauritius where goods imported or exported are under customs control or a person is subject to customs control. Failure to comply will constitute an offence and an offender will be liable, upon conviction, to a fine not exceeding Rs 100,000.	Effective as from 2 August 2022. Section 134A has been introduced in the Customs Act As by section 13(s) of the Finance (Miscellaneous Provisions) Act 2022
(xx) MRA Customs has been empowered to carry out controlled delivery of dutiable goods. Where MRA Customs suspects that dutiable goods being imported into Mauritius or put for home consumption may result in the commission of an offence under customs laws, he may, for the purpose of identifying the persons involved in the commission of the offence, authorise the – (A) entry and clearance of the goods in the same state; or (B) seizure of the goods and their replacement by other goods for the purpose of entry and clearance (dummy).	Effective as from 2 August 2022. Amendments have been made by the Finance (Miscellaneous Provisions) Act 2022 to the Customs Act by introducing section 142A - <i>section 13(t) of FA 2022</i>

16.5.3. Tax Administration – Customs Tariff Act

Measures	Implementation
(i) In addition to the making of objection in an approved form, provision has been made to allow a stakeholder to make an objection to a decision of MRA Customs electronically.	Effective as from 2 August 2022. Amendments brought by the Finance (Miscellaneous Provisions) Act 2022 to section 5(2A)(d) and (fa) of the Customs Tariff Act;
(ii) It has been clarified that an objection by a stakeholder to a decision of MRA Customs should be made in the approved form and not by way of a letter.	

16.5.4. Tax Administration – Excise Act

Measures	Implementation
(i) Definitions of “audit-based control”, “customs laws”, “document”, “proper officer” and “risk management” have been introduced. The above definitions are being aligned with those of the Customs Act and section 127A(1A) of the Customs Act shall also apply to manufacturer in relation to raising of claim. Amendments have also been made to the definition of “denatured alcohol”, by including “combustible fuel”;	Effective as from 2 August 2022. Section 2 of the Excise Act has been amended by section 21(a) of FA 2022 of the Finance (Miscellaneous Provisions) Act 2022
(ii) Entries for excisable goods made by a manufacturer in respect of goods deposited in an excise warehouse or removed from a factory or a consolidated bill of entry for excisable goods to be warehoused or cleared during a month will henceforth be deemed to be a self-assessment.	Effective as from 2 August 2022. Section 4 of the Excise Act has been amended by section 21(b) of the Finance (Miscellaneous Provisions) Act 2022
(iii) In addition to the making of objection in an approved form, provision has been made to allow a stakeholder to make an objection to a decision of MRA Customs electronically.	Effective as from 2 August 2022.
(iv) It has been clarified that an objection by a stakeholder to a decision of MRA Customs should be made in the approved form and not by way of a letter.	Amendments brought by the Finance (Miscellaneous Provisions) Act 2022 to (c) sections 5(1)(b) and (ca), 22(5)(a) and (ca) and 52(5)(a) and (ca) of the Excise Act.
(v) MRA Customs has been empowered to enforce excise laws by using risk management	Effective as from 2 August 2022. New section 21A has been introduced by section 21(d) of the Finance (Miscellaneous Provisions) Act 2022
(vi) Any amount of excise duty paid in excess of the amount determined to be payable, shall be refunded, together with interest at the prevailing Repo rate determined by the Bank of Mauritius, where the Objection Directorate allows an objection, in whole or in part.	Effective as from 2 August 2022. Amendments brought by the Finance (Miscellaneous Provisions) Act 2022 to introduce subsections (8) and (9) in section 52 of the Excise Act - <i>section 21(g)(ii) of FA 2022</i>

Measures	Implementation
(vii) Provision has been made to allow a distiller-bottler of alcohol to sell at his factory fusel oil (a by-product of the distillation process) for use as combustible fuel.	Effective as from 1 January 2022. Amendments will be made to the Second Schedule of the Excise Act by way of regulations to capture this measure.
(viii) MRA Customs has been empowered to carry out controlled delivery of excisable goods. Where MRA Customs suspects that excisable goods being imported into Mauritius or put for home consumption may result in the commission of an offence under customs laws, he may, for the purpose of identifying the persons involved in the commission of the offence, authorise the – (A) entry and clearance of the goods in the same state; or (B) seizure of the goods and their replacement by other goods for the purpose of entry and clearance (dummy).	Effective as from 2 August 2022. Amendments brought by the Finance (Miscellaneous Provisions) Act 2022 to the Excise Act by introducing section 34A - <i>section 21(f) of FA 2022</i>
(ix) The opening hours for the sale of alcoholic products in restaurants and pubs will be extended to 2 a.m. every day.	Amendments to the Excise Regulations 1994 will be made to capture this measure which will be effective as from the gazetting date.
(x) The requirement to affix excise stamps will be extended to cover beer and wine in cans and other types of packaging.	Effective as from 1 March 2023. Amendments to the Excise Regulations 1994 will be made to capture this measure.

16.5.5. Amendments to other enactments

Measures	Implementation
(a) Tax Administration: Mauritius Revenue Authority Act –	
Customs cases at the Assessment Review Committee Provision has been made for an aggrieved person lodging a representation at the ARC against a decision taken by MRA Customs under the Customs Act, the Customs Tariff Act and the Excise Act, to file a Statement of Case with all facts of the case together with any witness statement and any relevant document, with copy to the Director-General, in view of the technical nature of such cases.	Effective as from 2 September 2022. Amendments have been made to subsection 19(1A) of the MRA Act by section 43(d) of the Finance (Miscellaneous Provisions) Act 2022
(b). Consumer Protection (Price and Supplies Control) Act	
The Consumer Protection (Price and Supplies Control) Act has been amended:- (i) to make provisions for the State Trading Corporation to pay to MRA the contributions to the Road Development Authority and the Rodrigues Transportation and Storage, levied on petroleum products, within 60 days from the date of importation of the petroleum product; and (ii) for MRA to remit, within 5 working days of the next month, the contributions collected during the preceding month pursuant to paragraph (a) to the Accountant-General for onward remittance to the accounts of the Road Development Authority and the Rodrigues Transportation and Storage, respectively.	Effective as from 3 October 2022. Amendments have been made to section 12 of the Consumer Protection (Price and Supplies Control) act by section 12 of the Finance (Miscellaneous Provisions) Act 2022. Consequently, the First Schedule of the MRA Act has been amended by section 43(j) of the Finance (Miscellaneous Provisions) Act 2022.

Measures	Implementation
(c). Freeport Act	
The Freeport Act has been amended to provide that in addition to online access to the warehouse management information system, every Freeport zone shall be equipped with a closed circuit television system (CCTV system) or any other electronic system. For control purposes – (a) the footage or other electronic system in place shall be archived in such manner, as the Director-General may determine; (b) Director-General shall have online access to the CCTV system or other electronic system in place; (c) the recording of the CCTV system or other electronic system in place shall, on demand, be made available to the Director-General.	Effective as from 2 August 2022. New paragraph (c) has been introduced in section 15(1) of the Freeport Act by section 27 of the Finance (Miscellaneous Provisions) Act 2022



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 2022

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.

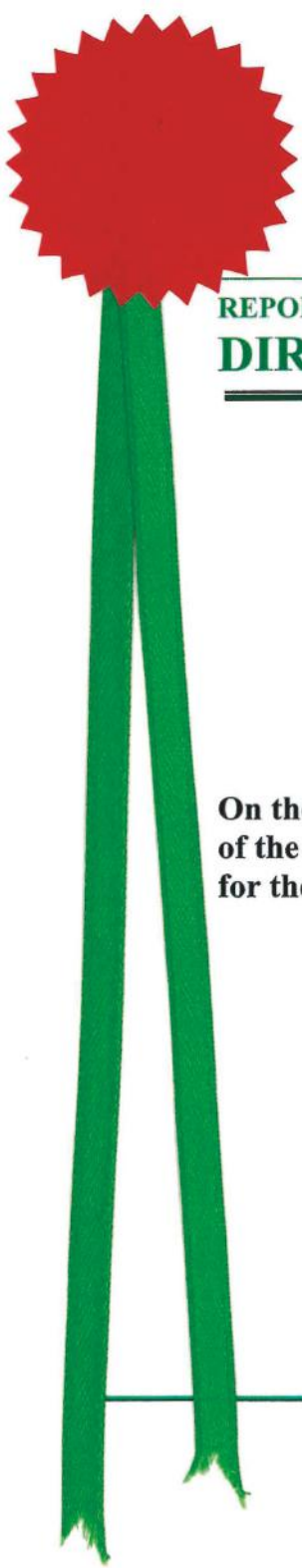
Signed on behalf of the MRA Board



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 year ended 30 June 2022**

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 2022, 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 2022, 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 for 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:

- 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;
- 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 economically, efficiently and effectively; 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:

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

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. ROMOOAH
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

7 March 2023

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022

	Notes	30 JUNE 2022 Rs	30 JUNE 2021 Rs
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	94,311,226	76,309,394
Receivables	8	1,212,947	917,312
Inventories	9	10,571,512	9,082,743
Prepayments	8	39,673,484	34,403,979
Loan	10	16,647,023	16,540,984
Investment Securities	11	18,400,000	16,850,000
		<u>180,816,192</u>	<u>154,104,412</u>
Non-Current Assets			
Deposit	12	8,668,513	8,445,013
Loan	10	43,675,880	46,495,184
Property, Plant and Equipment	5	1,542,961,173	868,326,889
Intangible Assets	6	80,831,681	55,539,321
		<u>1,676,137,247</u>	<u>978,806,407</u>
TOTAL ASSETS		<u>1,856,953,439</u>	<u>1,132,910,819</u>
LIABILITIES			
Current Liabilities			
Payables	13	115,078,163	75,693,522
Advance	14	16,647,023	16,540,984
		<u>131,725,186</u>	<u>92,234,506</u>
Non-Current Liabilities			
Advance	14	43,675,880	46,495,184
Provisions	15	8,162,220	7,879,190
Employee Benefits	23	4,917,706,755	4,072,769,180
		<u>4,969,544,855</u>	<u>4,127,143,554</u>
TOTAL LIABILITIES		<u>5,101,270,041</u>	<u>4,219,378,060</u>
NET ASSETS		<u>(3,244,316,602)</u>	<u>(3,086,467,241)</u>
NET ASSETS/ EQUITY			
Revaluation Surplus	26	416,419,606	79,471,829
General Fund		<u>(3,660,736,208)</u>	<u>(3,165,939,070)</u>
TOTAL NET ASSETS/ EQUITY		<u>(3,244,316,602)</u>	<u>(3,086,467,241)</u>

Approved by the Board on 28 September 2022



Chairperson



Board Member

The Notes on pages 165 to 188 form part of the financial statements.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

		YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	Notes	Rs	Rs
Revenue			
Revenue from Non-Exchange Transactions	16	2,798,677,820	2,126,905,336
Revenue from Exchange Transactions	17	1,676,198	856,885
Total Revenue		2,800,354,018	2,127,762,221
Expenses			
Salaries and Other Employee Benefits	18	2,274,565,428	1,706,970,126
Goods and Services	18	311,783,519	271,616,909
Depreciation and Amortisation Expense	18	124,609,594	122,636,865
Impairment of Property, Plant and Equipment	21	-	163,689
Loss on Disposal / Scrap of Assets	21	2,458,054	1,205,203
Finance costs	19	12,929,463	12,112,812
Total Expenses		2,726,346,058	2,114,705,604
Surplus for the period		74,007,960	13,056,617

STATEMENT OF CHANGES IN NET ASSETS / EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Revaluation Surplus	General Fund	Total
	Rs	Rs	Rs
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)
Balance at 1 July 2021	79,471,829	(3,165,939,070)	(3,086,467,241)
Change in net assets/ equity for the period			
Revaluation surplus for the period	370,953,774	-	370,953,774
Transfer to accumulated surplus/(deficit)	(34,005,997)	34,005,997	-
Loss on remeasurement of defined benefit obligation	-	(602,811,095)	(602,811,095)
Surplus for the period	-	74,007,960	74,007,960
Total recognised revenue and expense for the period	336,947,777	(494,797,138)	(157,849,361)
Balance at 30 June 2022	416,419,606	(3,660,736,208)	(3,244,316,602)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	YEAR ENDED 30 JUNE 2022	YEAR ENDED 30 JUNE 2021
	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus	74,007,960	13,056,617
Adjustments for :		
Depreciation and Amortisation	124,609,594	122,636,865
Increase in Provision for Dismantling Cost	283,030	483,890
Increase in Long Term Provision for Employee Benefits	242,126,480	63,756,090
Loss on Disposal/Scrap/Write-off	2,458,054	1,205,203
Loss on Impairment	-	163,689
Liquidated Damages	(3,712)	-
(Increase) in Inventories	(1,488,769)	(2,050,591)
(Increase) in Receivables	(5,565,140)	(7,105,149)
Increase in Payables	39,384,641	28,125,828
Net Cash Flows from Operating Activities	475,812,138	220,272,442
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment (Note b)	(456,950,946)	(182,500,500)
Proceeds from Sale of Property, Plant and Equipment	914,140	726,330
Investment in Treasury Certificates	(36,650,000)	(16,850,000)
Redemption of Treasury Certificates	35,100,000	16,750,000
Deposit	(223,500)	-
Loan to Staff	(19,629,500)	(14,598,000)
Repayment of Loan by Staff	22,342,765	26,899,461
Net Cash Flows from Investing Activities	(455,097,041)	(169,572,709)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance Received	19,629,500	14,598,000
Repayment of Advance	(22,342,765)	(26,899,461)
Net Cash Flows from Financing Activities	(2,713,265)	(12,301,461)
Net Increase/(Decrease) in Cash & Cash Equivalents	18,001,832	38,398,272
Cash & Cash Equivalents at Start	76,309,394	37,911,122
Cash & Cash Equivalents at End (Note a)	94,311,226	76,309,394

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.

	2022	2021
	Rs	Rs
Cash at bank	94,221,062	76,227,001
Cash in hand	90,164	82,393
	94,311,226	76,309,394

(b) Property, Plant and Equipment

The aggregate cost of acquisitions was Rs 469,049,585 and adjusted for cash flow purposes to Rs 456,950,946.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	RECURRENT BUDGET			
	Budgeted Amounts		Actual Amount	Difference: Revised Budget and Actual
	Original Rs	Revised Rs		
REVENUE	2,045,100,000	2,367,700,000	2,364,227,238	(3,472,762)
EXPENSES (Excluding Depreciation & Amortisation)				
Staff Costs	1,727,650,000	2,038,000,000	2,033,248,970	4,751,030
Training of Staff	2,800,000	2,200,000	2,088,996	111,004
Board Members Fees	2,650,000	2,500,000	2,490,000	10,000
Missions /Training Abroad	2,050,000	-	-	-
Professional Fees	15,000,000	7,500,000	7,329,295	170,705
Office Expenses & Services	61,050,000	67,200,000	67,195,568	4,432
Rent	50,500,000	49,300,000	49,036,875	263,125
Utilities	39,600,000	37,950,000	37,922,957	27,043
Motor Vehicles Expenses	19,400,000	24,650,000	24,560,264	89,736
Advertising and Publications	6,800,000	6,150,000	5,940,963	209,037
Printing and Stationery	7,000,000	8,200,000	8,136,984	63,016
IT Expenses	70,000,000	76,700,000	76,614,372	85,628
Uniform and Protective Equipment	8,500,000	10,200,000	10,186,846	13,154
Conference Expenses	200,000	-	-	-
Contributions /Subscriptions	7,600,000	8,100,000	8,008,228	91,772
Service/Bank Charges	10,800,000	13,000,000	12,929,463	70,537
Tobacco & Alcohol Stamps	13,000,000	15,550,000	12,272,171	3,277,829
	2,044,600,000	2,367,200,000	2,357,961,952	9,238,048
Prvision for Gratuity			6,380,486	(6,380,486)
Increase in Provision for Leave			117,481,512	(117,481,512)
Increase in Provision for Defined Benefit Obligation			117,454,460	(117,454,460)
Total Expenses	2,044,600,000	2,367,200,000	2,599,278,410	(232,078,410)
Budgeted/ Actual Surplus/ (Deficit)	500,000	500,000	(235,051,172)	(235,551,172)

CAPITAL BUDGET

	Budgeted Amounts		Actual Amount	Difference: Revised Budget and Actual
	Original	Revised		
	Rs	Rs	Rs	Rs
Capital Expenditure	440,000,000	363,000,000	469,049,585	(106,049,585)

Material differences are explained at Note 25.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

1. Basis of Reporting

1.1 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.

1.2 Reporting Period

The financial statements have been prepared for the 12 months ended 30 June 2022 with comparative information for the 12 months ended 30 June 2021.

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 and there has been no early adoption.

IPSAS 41 - Financial Instruments

IPSAS 42 - Social Benefits

IPSAS 43 - Leases

IPSAS 44 - Non-current Assets Held for Sale and Discontinued Operations

IPSAS 41 is effective for annual periods beginning on or after 1 January 2023. It 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.

IPSAS 42 is effective for annual periods beginning on or after 1 January 2023. The objective of this standard 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. IPSAS 42 will not have an impact on the financial statements of MRA.

IPSAS 43 is effective for annual periods beginning on or after 1 January 2025 and its objective is to set out the recognition, measurement, presentation and disclosure requirements for leases. The standard has a single **lessee** accounting model, requiring lessees to recognise a right-of-use asset and a lease liability. Adoption of this standard will require MRA to recognise both an asset and a lease liability in its financial statements in respect of leases.

IPSAS 44 is effective for annual periods beginning on or after 1 January 2025 and its objective is to set out the accounting for non-current assets held for sale and the presentation and disclosure of discontinued operations. IPSAS 44 will not have an impact on the financial statements of MRA.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

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.

(b) Property, Plant and Equipment and Depreciation

(i) Measurement and Recognition

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

An asset vested to the Authority through a non-exchange transaction is recognised when it gains control of the asset, and it is probable that future economic benefits or service potential associated with the asset will flow to the Authority and the fair value can be reliably measured. Assets vested are measured at their fair value at the date of acquisition.

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 initially capitalised and fully depreciated in the year of acquisition.

(ii) Depreciation

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	1.00%
Computer Equipment	12.50%
Furniture & Fittings	10% - 12.50%
Scanners	12.50%
Vehicles	20%
Equipment	5% - 20%
Sniffer Dogs	20%

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.

Depreciation charge for each period is recognised in surplus or deficit.

(iii) Assets under construction

Assets in the course of construction are carried out at cost, less any recognized impairment loss. Cost includes professional fees and excludes borrowing costs, for qualifying assets. Depreciation of these assets commences when the assets are ready for their intended use and is on the same basis as other property assets.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

3. Accounting Policies (Cont'd)

(b) Plant and Equipment and Depreciation (Cont'd)

(iv) 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 surplus or deficit, 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 surplus or deficit, 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.

(v) De-Recognition

Property, plant and equipment and/or any significant part of an asset are derecognized upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

(c) Intangible Assets

Intangible assets comprise computer software and licenses and are initially recorded at cost except for intangible assets acquired through a non-exchange transaction which are measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful life of the intangible assets is assessed as either finite or indefinite. Those assets which have a finite useful life are amortised using the straight-line method over a period not exceeding 8 years and the amortisation charge for each period is recognised in surplus or deficit.

The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the surplus or deficit when the asset is derecognized.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

3. Accounting Policies (Cont'd)

(d) Revaluation of Property, Plant and Equipment and Intangible Assets

• 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.

• Intangible Assets

The frequency of revaluation depends on the volatility of the fair values of the intangible assets being revalued. If the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is necessary.

The Accounting treatment for revaluation of Intangible Assets is the same as for Property, Plant and Equipment.

(e) Cash and Cash equivalents

Cash and cash equivalents comprise of cash in hand, cash balances with banks, deposits on call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

(f) 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.

(g) Financial Instruments

(i) Classification

Financial Instruments comprise of financial assets and financial liabilities and are classified as follows:

- Financial assets or financial liabilities at fair value through surplus or deficit (FVTSD)
- Held-to-maturity investments
- Loans and receivables
- Available-for-sale (AFS) financial assets

However, the Authority does not hold Available-for-sale financial assets. Furthermore, investment in treasury certificates is not considered as held-to-maturity as the Authority has the **option** to redeem the investment prior to maturity after a holding period of 30 days.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

3 Accounting Policies (Cont'd)**(ii) Recognition and Measurement**

- Short-term receivables, at initial recognition, are measured at the original invoice amount as the effect of discounting is immaterial.
- All other financial assets are, after initial recognition at fair value, measured at amortised cost using the effective interest method less any provision for impairment.
- When a receivable is considered uncollectible, it is written off against surplus or deficit.
- A financial liability is recognised when the Authority becomes a party to the contractual provisions of the instrument. Upon initial recognition, short-term payables are recognised at the original invoice amount if the effect of discounting is immaterial. All other financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(iii) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(h) Provisions

Provisions are recognized when the Authority has a present obligation as a result of a past event and it is probable that the Authority will be required to settle that obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

(i) Prepayments

Prepayments are recognized as assets when payment for goods or services has been made in advance of obtaining a right to access those goods or services.

(j) Revenue recognition**(i) Exchange Transactions**

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

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.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

3. Accounting Policies(Cont'd)**(j) Revenue recognition (Cont'd)****(ii) Non-Exchange Transactions**

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

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.

(k) Excise Stamps

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

(l) Expenses

- **Operating Expenses**

These are recognised in the period when goods are received or services are rendered.

- **Operating Lease**

Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

3. Accounting Policies (Cont'd)**(l) Expenses (Cont'd)**

- **Finance Costs**

Finance costs comprise of bank charges and fees payable to Bank of Mauritius in respect of Mauritius Automated Clearing and Settlement System (MACSS), direct debit and Negative Income Tax Allowance (NITA). The charges are recognised in the period in which they relate.

(m) Employee Benefits

- **Short-Term Employee Benefits**

Short-term employee benefits are benefits which are expected to be settled wholly before twelve months after the reporting period in which the employee renders the related service. The short term employee benefits consist of salaries, salary compensation, overtime, allowances, end of year bonus, performance bonus, car allowance, gratuity and contributions to National Savings Fund and pension fund.

- **Leaves**

Non-accumulating paid leave (annual, portion of sick leave and maternity leave) are expensed in the period the leave is taken and are measured at the rates paid or payable.

Liabilities for accumulated unutilised leave (sick and annual 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.

- **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 : 3% per annum (4% prior to January 2022)

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 2022

3. Accounting Policies (Cont'd)**(m) Employee Benefits (Cont'd)**

- **Post Employment Benefits**

(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 whereas MRA contributes 12% of the salaries paid.

MRA has no further payment obligations once the contributions have been paid and 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 2022

3. Accounting Policies (Cont'd)

(n) 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.

(o) Related Parties

The Authority regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa.

This includes relationship with entities forming part of the public sector and key management personnel.

Transactions between these related parties and the Authority are disclosed in the financial statements except for transactions that would occur within a normal supplier or client/recipient relationship on terms and conditions no more or less favorable than those which it is reasonable to expect the Authority would have adopted when dealing with that individual or entity at arm's length in the same circumstances.

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 2022

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 2021	299,665,500	265,995,221	82,519,427	57,422,512	431,278,982	2,002,401	1,138,884,043
Revaluation	26,134,500	(58,686,946)	(42,076,693)	(22,818,412)	(121,561,087)	-	(219,008,638)
Additions	395,748,700	72,271,473	57,706,810	5,217,200	101,759,381	1,067,710	633,771,274
Disposals/Scrap	-	(5,837,400)	(997,934)	(1,087,100)	(6,983,286)	(622,862)	(15,528,582)
Transfer (Note a)	-	348,496	-	-	(428,273)	-	(79,777)
Adjustment (Note b)	(2,154,244)	(1,158,397)	(572,633)	-	(193,023)	-	(4,078,297)
AT 30 JUNE 2022	719,394,456	272,932,447	96,578,977	38,734,200	403,872,694	2,447,249	1,533,960,023
DEPRECIATION							
At 1 July 2021	41,258,294	120,303,020	61,998,642	34,369,756	244,464,707	824,449	503,218,868
Revaluation	(45,239,357)	(146,682,277)	(64,699,995)	(39,349,882)	(283,554,793)	-	(579,526,304)
Charge for the period	7,420,961	38,954,880	5,184,671	6,129,526	53,506,860	253,303	111,450,201
Disposals/Scrap	-	(3,698,461)	(666,894)	(785,485)	(6,717,524)	(304,236)	(12,172,600)
Transfer (Note a)	-	3,823	295,671	-	(306,142)	-	(6,648)
Adjustment (Note b)	(2,154,244)	(1,158,397)	(572,633)	-	(193,023)	-	(4,078,297)
AT 30 JUNE 2022	1,285,654	7,722,588	1,539,462	363,915	7,200,085	773,516	18,885,220
NET BOOK VALUE							
AT 30 JUNE 2022	718,108,802	265,209,859	95,039,515	38,370,285	396,672,609	1,673,733	1,515,074,803
Progress payments on Tangible Non-Current Assets							27,886,370
							1,542,961,173
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

NOTE:

- (a) Reclassification of cost and accumulated depreciation to appropriate asset category.
- (b) Adjustment of Rs 4,078,297 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.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

6. Intangible Assets

	Computer Software Rs
COST	
At 1 July 2021	114,792,671
Revaluation	(30,847,374)
Additions	20,747,679
Disposal/Scrap	(37,245,573)
Transfer (Note a)	79,777
Adjustment (Note b)	(418,600)
AT 30 JUNE 2022	67,108,580
AMORTISATION	
At 1 July 2021	68,275,447
Revaluation	(41,283,482)
Charge for the period	13,159,393
Disposal/Scrap	(37,245,573)
Transfer (Note a)	6,648
Adjustment (Note b)	(418,600)
AT 30 JUNE 2022	2,493,833
NET BOOK VALUE	
AT 30 JUNE 2022	64,614,747
Progress payment	16,216,934
TOTAL	80,831,681
AT 30 JUNE 2021	46,517,224
Progress payment	9,022,097
TOTAL	55,539,321

Note

(a) Cost and amortisation reclassified to Property, Plant and Equipment.

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

	30 JUNE 2022 Rs	30 JUNE 2021 Rs
7. Cash and Cash Equivalents		
Cash at Bank	94,221,062	76,227,001
Cash in Hand	90,164	82,393
Total	94,311,226	76,309,394
8. Receivables and Prepayments		
Receivables - Exchange Transactions	1,142,247	873,312
Deposit	70,700	44,000
	1,212,947	917,312
Prepayments	39,673,484	34,403,979
Total	40,886,431	35,321,291

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

	30 JUNE 2022 Rs	30 JUNE 2021 Rs
9. Inventories		
Consumables	4,141,286	4,649,040
Excise Stamps	5,683,615	3,596,786
Spare Parts	746,611	836,917
Total	10,571,512	9,082,743
10. Car Loan to staff		
Balance at start	63,036,168	75,337,629
Loan granted	19,629,500	14,598,000
Loan repaid	(22,342,765)	(26,899,461)
Balance at end	60,322,903	63,036,168
Receivable due not later than one year	(16,647,023)	(16,540,984)
Receivable due later than one year	43,675,880	46,495,184
Receivable due later than one year but within five years	38,521,238	42,242,856

11. Investment Securities

An amount of Rs 18,400,000 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 1.02 % per annum and is redeemable at par upon maturity on 10 October 2022. However, early redemption is allowed, at par, after a holding period of 30 days.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

	30 JUNE 2022	30 JUNE 2021
	Rs	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
Central Electricity Board (CEB)	223,500	-
Total	8,668,513	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. The deposit is fixed and refundable to Mauritius Revenue Authority on expiry of the lease in forty years.
- The amount of Rs 223,500 represents a security deposit in favour of CEB for a permanent power supply at Integrated Customs Clearance Centre (ICCC).

13. Payables

Trade Payables	38,438,844	20,827,353
Other Payables	128,551	246,713
Employee Benefits	76,510,768	54,619,456
Total	115,078,163	75,693,522

14. Advance from MOFEPD

Balance at start	63,036,168	75,337,629
Advance received	19,629,500	14,598,000
Advance repaid	(22,342,765)	(26,899,461)
Balance at end	60,322,903	63,036,168
Payable not later than one year	(16,647,023)	(16,540,984)
Payable later than one year	43,675,880	46,495,184
Payable later than one year but within five years	38,521,238	42,242,856

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 8,162,220 due to fluctuation in exchange rate of USD.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

	YEAR ENDED 30 JUNE 2022 Rs	YEAR ENDED 30 JUNE 2021 Rs
16. Revenue from Non-Exchange Transactions		
Grants received for Capital Expenditure	436,126,780	208,905,336
Grants received for Revenue Expenditure	2,362,500,000	1,918,000,000
Legal Costs received	51,040	-
Total	2,798,677,820	2,126,905,336
17. Revenue from Exchange Transactions		
Liquidated Damages	3,712	-
Refund of Duty	259,036	7,599
Encashment of Bond	-	4,315
Refund of Pension Contribution	1,131,068	631,451
Interest - Treasury Certificates	140,839	135,059
Sundries	141,543	78,461
Total	1,676,198	856,885

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

	YEAR ENDED 30 JUNE 2022 Rs	YEAR ENDED 30 JUNE 2021 Rs
18. Expenses		
Salaries and Other Employee Benefits		
Salaries	1,349,037,011	1,106,124,921
Other Employee Benefits	684,211,959	508,854,360
Provision for Gratuity	6,380,486	-
Increase in Provision- Defined Benefit Obligation	117,454,460	62,705,254
Increase in Provision - Leave	117,481,512	29,285,591
Total Salaries and Other Employee Benefits	2,274,565,428	1,706,970,126
Goods and Services		
Training of Staff	2,088,996	661,168
Board Members Fees	2,490,000	2,465,000
Professional Fees	7,329,295	5,550,067
Office Expenses & Services	66,912,538	56,259,184
Rent	49,036,875	46,567,417
Utilities	37,922,957	37,545,496
Motor Vehicle Expenses	24,560,264	21,347,787
Advertising and Publications	5,940,963	6,026,742
Printing and Stationery	8,136,984	6,161,731
Excise Stamps	12,272,171	7,622,255
IT Expenses	76,614,372	65,674,947
Uniform and Protective Equipment	10,186,846	7,859,873
Contributions / Subscriptions to Organizations	8,008,228	7,391,352
Increase in Provision for Dismantling Cost	283,030	483,890
Total Goods and Services	311,783,519	271,616,909
Depreciation (Note 5)	111,450,201	101,748,193
Amortisation Expense (Note 6)	13,159,393	20,888,672
Depreciation and Amortisation Expense	124,609,594	122,636,865
Impairment of Property, Plant and Equipment	-	163,689
Loss on Disposal / Scrap of Assets (Note 21)	2,458,054	1,205,203
Finance Costs	12,929,463	12,112,812
Total Expenses	2,726,346,058	2,114,705,604
19. Finance Costs		
Bank Charges	12,929,463	12,112,812

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

20. Exchange Differences

A net loss on exchange amounting to Rs 345,224 has been recognised in surplus/deficit.

21. Disposal of Assets

- **Disposal**

Loss on disposal / scrap of assets comprise:

	Rs
Loss	
Computer Hardware	1,910,176
Furniture and Equipment	378,003
Sniffer dogs	260,260
	<u>2,548,439</u>
Gain on Motor Vehicles	(90,385)
Net Loss on Disposal/ Scrap	<u><u>2,458,054</u></u>

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

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 2022 Rs	30 JUNE 2021 Rs
(i) Grants Received from Government		
Grants for Capital Expenditure	436,126,780	208,905,336
Grants for Revenue Expenditure	2,362,500,000	1,918,000,000
	<u>2,798,626,780</u>	<u>2,126,905,336</u>
(ii) Compensation to Key Management Personnel		
Short Term Benefits:		
Fees to Board Members	2,490,000	2,465,000
Management Personnel Compensation	63,809,182	54,643,334
Post-Employment Benefits Contribution	-	-
Termination Benefits	-	-
	<u>66,299,182</u>	<u>57,108,334</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	4,223,281,212	3,503,015,657
Sick/Annual Leave	694,425,543	569,753,523
Total	<u>4,917,706,755</u>	<u>4,072,769,180</u>

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

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 2022 Rs	30 JUNE 2021 Rs
Amounts Recognised in Statement of Financial Position at end of year:		
Defined Benefit Obligation	6,155,250,205	5,556,429,327
Fair Value of Plan Assets	(1,931,968,993)	(2,053,413,670)
Liability Recognised in Statement of Financial Position at end of year	4,223,281,212	3,503,015,657

Amounts Recognised in Statement of Financial Performance:

Service Cost:

Current Service Cost	120,745,231	116,229,674
Past Service Cost	-	-
Employee Contributions	(54,088,818)	(46,399,985)
Fund Expenses	3,224,695	3,028,068
Net Interest Expense / (Revenue)	178,127,876	90,160,475
Charge to Income Statement	248,008,984	163,018,232

Remeasurement

Liability (Gain)/ Loss	500,756,586	1,080,152,010
Assets (Gain)/ Loss	102,054,509	(29,427,023)
Net Assets / Equity (NAE)	602,811,095	1,050,724,987

Total	850,820,079	1,213,743,219
--------------	--------------------	----------------------

Movements in Liability Recognised in Statement of Financial Position:

At start of year	3,503,015,657	2,389,585,416
Amount recognised in Income Statement	248,008,984	163,018,232
Contributions paid by Employer	(107,145,923)	(92,799,970)
Special Contribution made by Employer	(23,408,601)	(7,513,008)
Amount Recognised in Net Assets / Equity	602,811,095	1,050,724,987
At end of year	4,223,281,212	3,503,015,657

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

23. Employee Benefits (Cont'd)

	30 JUNE 2022 Rs	30 JUNE 2021 Rs
Reconciliation of the Present Value of Defined Benefit Obligation		
Present Value of Obligation at start of year	5,556,429,327	4,500,590,124
Current Service Cost	120,745,231	116,229,674
Interest Cost	277,821,466	164,271,540
Benefits Paid	(300,502,405)	(304,814,021)
Liability (Gain)/Loss	500,756,586	1,080,152,010
Present Value of Obligation at end of year	<u>6,155,250,205</u>	<u>5,556,429,327</u>
Reconciliation of Fair Value of Plan Assets		
Fair Value of Plan Assets at start of year	2,053,413,670	2,111,004,708
Expected Return on Plan Assets	99,693,590	74,111,065
Employer Contributions	107,145,923	92,799,970
Employee Contributions	54,088,818	46,399,985
Special Contribution paid by Employer	23,408,601	7,513,008
Benefits Paid + Other Outgo	(303,727,100)	(307,842,089)
Asset Gain / (Loss)	<u>(102,054,509)</u>	<u>29,427,023</u>
Fair Value of Plan Assets at end of year	<u>1,931,968,993</u>	<u>2,053,413,670</u>
Distribution of Plan Assets at end of year		
<u>Percentage of Assets at end of year</u>	2022	2021
Fixed Interest securities and cash	58.00%	54.80%
Loans	2.90%	2.80%
Local Equities	13.60%	11.80%
Overseas Bonds and Equities	25.00%	30.10%
Property	0.50%	0.50%
Total	<u>100%</u>	<u>100%</u>
Additional Disclosure on Assets issued or used by the Reporting Entity		
	2022	2021
<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	2022	2021
Currency	Rs	Rs
Asset experience gain / (loss) during the year	(102,054,509)	29,427,023
Liability experience gain / (loss) during the year	<u>(500,756,586)</u>	<u>(1,080,152,010)</u>
	<u>(602,811,095)</u>	<u>(1,050,724,987)</u>
Year	2022-2023	
Expected Employer contributions	100,531,897	
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 2022

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 2022	30 JUNE 2021
Discount Rate	5.35%	5.00%
Future Salary Increases	3.00%	3.00%
Future Pension Increases	2.50%	2.00%
Mortality before retirement	Nil	Nil
Mortality in retirement	PA (90) Tables rated down by 2 Years	
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 847.3 Million (increase by Rs 1,070.4 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 494.3 Million (decrease by Rs 424.1 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 173.4 Million (decrease by Rs 172.9 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 2022 is Rs 38,457,647 (Rs 27,591,671 for year ended 30 June 2021).

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

24. Excise Stamps

	30 JUNE 2022	30 JUNE 2021
	Units	Units
Opening stock	35,561,187	14,465,745
Defective stamps	(12,505,889)	-
Purchases	101,520,000	92,800,000
	124,575,298	107,265,745
Sales	(80,031,664)	(71,704,558)
Closing stock	44,543,634	35,561,187

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 2021 to 30 June 2022 and was approved by the National Assembly as a one-line budget.

- **Recurrent Budget**

Actual amount includes an increase of Rs 117.5 Million in provision for retirement benefit obligation, an additional provision of Rs 117.5 Million for annual leave and sick leave and a provision of Rs 6.4 Million for gratuity.

The difference between revised recurrent expenditure budget and total actual amount excluding provision is 0.4% and there are no major variances as regards individual items of expenditure, except for Tobacco and Alcohol Stamps.

Actual amount for Tobacco and Alcohol Stamps represents cost of stamps sold out of stock and amount written-off for defective stamps. Purchases for the year were Rs 14.3 Million and delivery of another consignment of Rs 1.9 Million was deferred to 2022/23.

- **Capital Budget**

Actual expenditure is reconciled with budget as follows:

	Rs	Rs
Actual expenditure		469,049,585
Less expenditure not catered for in 2021/2022 budget:		
2020/2021 projects carried over to 2021/2022		(179,980,145)
		289,069,440
Add savings in 2021/2022:		
2021/2022 projects carried over to 2022/2023	69,377,584	
Savings on projects as costs incurred were less than budgeted	4,552,976	73,930,560
Revised budget for the year		363,000,000

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

26. Revaluation of Assets

(i) Revaluation Surplus

Except for sniffer dogs, all other classes of assets were revalued by an independent external valuer (BREA Ltd) with effective date 01 June 2022 and resulted in a revaluation surplus of Rs 370,953,774 made up as follows:

	Revaluation Surplus
	Rs
Building	71,373,857
IT Equipment and Software	98,431,439
Furniture and Fittings	22,623,302
Equipment	161,993,706
Motor Vehicles	16,531,470
	<u>370,953,774</u>

Sniffer dogs and additions during the year were not revalued as it was estimated that the carrying amount reflect their fair value.

(ii) Assumptions and Basis of Valuation

Assumptions:

The valuation has been made based on the following assumptions:

- The freehold interest is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing. Should there be any mortgage or charges, the Property would be sold free of them.
- All information provided are complete and correct.
- The Building/Structures have been erected and are being occupied and used in accordance with all necessary consents and that there are no outstanding statutory notices.
- All Buildings comply with all statutory and Local Authority requirements including building , fire and health and safety regulations.
- The Buildings are structurally sound and there are no structural or other material defects.
- No deleterious or hazardous material / techniques were used in construction of buildings.
- All assets (other than buildings / structures and ICT Software) are in the same physical condition as the samples identified during inspection.
- Assets are still in use as at the valuation date.

Basis

Valuation has been primarily derived using the Depreciated Replacement Cost Approach and prepared in accordance with RICS Valuation - Global Standards, 2021 (the "RICS Red Book"), which incorporates the International Valuation Standards (IVS), effective from 31 January 2022.

NOTES TO ACCOUNTS - YEAR ENDED 30 JUNE 2022

26. Revaluation of Assets (Cont'd)**(iii) Movement in Revaluation Reserves**

	Balance as at 01 July 2021 Rs	Revaluation surplus for the year Rs	Transfer to Accumulated Surplus/Deficit Rs	Balance as at 30 June 2022 Rs
Building	-	71,373,857	-	71,373,857
IT Equipment and Software	60,621,913	98,431,439	(34,005,766)	125,047,586
Furniture and Fittings	-	22,623,302	-	22,623,302
Equipment	5,264,221	161,993,706	(231)	167,257,696
Motor Vehicles	13,585,695	16,531,470	-	30,117,165
	79,471,829	370,953,774	(34,005,997)	416,419,606

An amount of Rs 34,005,997 was transferred to Accumulated Surplus/Deficit upon disposal/scrap of assets in line with existing policy for retirement of revalued 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 was 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 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 2022, 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 2022**29. Capital Commitments**

MRA had capital commitments of Rs 78.4 Million at 30 June 2022 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 3%.

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.

SWOT ANALYSIS



STRENGTHS

- Top five rating in the World Bank Ease of Paying Taxes out of some 190 countries
- Diversified organisation with a blend of young, dynamic, highly skilled and well-experienced & well-trained workforce versatile in various tax types
- A robust, secured and updated IT platform which enables taxpayers to easily meet their tax obligations
- A very good public image, reputation and public perception of the organisation as per surveys conducted both internally and externally
- Almost a cashless office with successful implementation of initiatives for promoting electronic payments
- Continuously embracing technology to widen the range of e-services to both internal and external stakeholders
- Good networking with other government agencies, financial institutions, and other Revenue Authorities / Countries in the exchange of information and efficient data sharing
- Strong partnership with external stakeholders to obtain feedback and enhance quality of service
- Good interactions with international organisations and with fellow tax administrations for greater cooperation, networking and increase in professional relatives
- Flexible organisation capable of implementing new assignments within tight deadlines and shifting to "Work from Home" mode when the need arises
- Performance based organisation with Key Performance Indicators for each major function
- Strong track record of meeting its commitment to its stakeholders, including its revenue collection target consistently over the years



WEAKNESSES

- Rising collectible and non-collectible debts due to slow debt recovery, high number of appeals to assessments raised and weak disposal of tax appeal cases
- Prosecution of taxpayers not yielding desired results, particularly, as a disincentive to tax evasion
- Implementation of key projects to raise MRA's internal efficiency and checkmate tax compliance is taking more time than expected retarding the expected benefits therefrom
- Need to expand and improve the use of data, data analytics and artificial intelligence capabilities to detect non-compliance and illicit economic activities
- Adoption of new techniques in tax liability such as Computer Assisted Audit Techniques need to be expedited
- Lack of defined succession planning strategy to ensure diffusion of knowledge and know-how from experienced retiring staff.
- Staff engaged in tax operations scattered in three distinct buildings which reduces the comparative advantage acquired through the creation of the MRA
- The target to resolve the tax dispute cases viewed to be on the high side as per TADAT Indicators



OPPORTUNITIES

- Potential to shift to automated tax compliance verification through several key projects such as e-invoicing, GRA Central Electronic Monitoring System (CEMS), e-tax platform which will generate efficiency gains from the MRA
- Shift in focus on taxation as a predicate offence to money laundering and new collaborative approach with agencies focusing on money laundering may help in deterring tax evasion
- Recent policy decisions regarding income support to workers and self-employed and introduction of Contribution Sociale Généralisée (CSG) has ensured a sharp increase in MRA's tax register
- Adopting tax broadening strategies by conducting field visits around the whole country with a view to enlist additional taxpayers and widen the tax base
- Revisiting our Audit Model through the introduction of lifestyle audit, e-auditing, automated assessments
- Engaging in Artificial Intelligence and Machine Learning to detect non-compliance and to improve efficiency
- Developing strategies to handle increase in online transactions/e-commerce, widening and deepening our existing revenue sources aiming at improving compliance and raising additional revenue
- Leveraging on new technology and putting in place Blockchain technology to capture third party data
- Development and implementation of the Integrated Single Window for Trade in view of facilitating trade and reducing cost of doing business
- Building the required new skills, through recruitment of new officers with specific skills such as IT, Forensic, Innovation and re-skilling and up skilling of existing staff
- Inauguration of the ICCB Building and once all relevant agencies are posted therein will ensure a one stop service to business, thus, promoting the ease of doing business



THREATS

- New techniques being used to evade tax using advanced technology and foreign assistance so as to beat the Tax & 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
- Additional tasks being assigned to the MRA on an annual basis diverting resources from core tax operations
- Online activities, especially with non-residents, replacing some traditional domestic transactions and impacting on our tax base
- Termination or request of for re-negotiation of DTA's and other agreements by treaty partners
- Impact of the introduction of Global Minimum Tax on the global business sector and tax receipts
- Increasing pressures on the tax base every year, especially during budgetary consultations, from the taxpayers/Trade Unions/NGOs for more tax exemptions and concessions
- MRA Officers becoming tempted by corrupt practices for personal gains. Hence, the need for continuous vigilance
- Budgetary constraints for implementation of planned modernization projects
- Compliant taxpayers influenced by non-compliant ones casting doubt on the integrity of our tax system

Objectives	Indicators	Targets					Achievements		
1. Easing Tax Compliance	• Tax revenue collected	Tax	Budget Estimate (Rs m)		Tax		Actual (Rs m)		
		Corporate Tax	15,018		Corporate Tax		16,484		
		Income Tax	13,000		Income Tax		13,999		
		VAT	39,528		VAT		38,266		
		Customs Duties	1,500		Customs Duties		1,528		
		Excise Duties	22,170		Excise Duties		20,144		
		Gambling	2,821		Gambling		1,930		
		TDS	1,882		TDS		2,180		
		Passenger fee	1,605		Passenger fee		592		
		Social Contributions	7,800		Social Contributions		8,349		
		Others	3,198		Others		3,028		
		Total to Consolidated Fund	108,522		Total to Consolidated Fund		106,500		
					Other Social Security Contributions		4,714		
					Other Agency tax		1,399		
					Total Collections		112,613		
		AUDIT, INTELLIGENCE, INVESTIGATIONS AND ASSESSMENTS							
		• Assessments raised	No target set, position for FY 2020/21	Number of Assessments	Tax Yield (Rs million)	Tax	Number of Assessments	Tax Yield (Rs million)	
Total	4,770		7,600	Total	8,696	6,717			
• Number of cases in which investigations completed	410			708					
• Number of joint investigations by FID & Customs	25			56					

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 1.74 million
	● Number of cases identified for investigation following department's intelligence work	40	196
	● Number of intelligence visits conducted	75	75
	● Number of unannounced/field visits conducted	25	31
	● Number of cases referred to LSD for prosecution	30	37
	● Number of cases referred to Law Enforcement Agencies (LEAs)	20	20
	● Percentage number of cases where business audit is completed within 5 months of its beginning to the total no. of audits completed	60% - MSTD	79.2% - 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	99.0% - MSTD

Objectives	Indicators	Targets	Achievements
1. Easing Tax Compliance (Cont'd)	COLLECTION OF THIRD PARTY INFORMATION, DEBT COLLECTION AND DISPUTE RESOLUTION		
	● Number of visits for widening of tax base	75	284
	● Number of items of information placed on system	200,000	200,000
	● Number of sources from which information is to be collected	2,600	2,600
	● Number of new taxpayers as a result of information matching	5,000	18,695
	● Arrears collected	N/A	Rs 2.6 billion
	● Percentage of total amount of old collectible debt collected to total collectible debt at the start of the year	20%	14.0%
	● Number of Objection cases to be determined	First two months: 25% Third Month: 25% Fourth Month: 50%	42% 19% 39%
	● Alternate Tax Dispute Resolution Panel:	N/A	Agreed cases : 61
	o Number of Cases where agreement reached o Amount of tax dispute resolved		Rs 661 million
	o Number of objection cases which are not appealed to ARC	N/A	Out of 1,989 cases finalised, 893 have not been appealed to ARC, representing 45% of cases finalised

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	3 days
	● Percentage of returns filed electronically to total number of returns	100%	Almost 100% for all tax types
	● Percentage of e-payment made	N/A	98%
	● Time taken to effect refunds of Income Tax	N/A	95% refunds made within 10 days
	● Time taken to effect VAT Repayment	N/A	MSTD 70% within less than 10 days 91% within less than 20 days LTD 98% within less than 10 days 100% within less than 20 days
	EDUCATION, FACILITATION AND FEEDBACK		
	● Number of educational seminars/workshops conducted	50	51
	● Number of taxpayer information leaflets/tax guides issued	30	39
	● Number of times MRA Website & Intranet is updated	As & when needed	Website: 868 & Intranet: 695
	Number of programmes conducted		
	● TV	6	8
	● Radio	6	11
	● 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	Completed
	EDUCATION, FACILITATION AND FEEDBACK		
	Government Wage Assistance Scheme: ● Amount Paid	N/A	Rs 3,919 m
	Self Employed Assistance Scheme: ● Amount Paid	N/A	Rs 198 m
	Negative Income Tax & Special Allowance Scheme: ● Amount Paid ● Number of beneficiaries (Distinct)	N/A	Rs 418 m 78,831
	● Implementation of Government Subsidy on Essential Goods	July – Dec 2021	Completed for the period July to Dec 2021. The scheme has been extended to July 2021 to June 2022

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%			6.22%		
	• Dwell time for cargo	Channels	Sea	Air	Channels	Sea	Air
		Green	30 mins	30 mins	Green	29.2 Mins	32.3 Mins
		Yellow	3 hrs	40 mins	Yellow	4.35 Hrs	4.91 Hrs
		Red	15 hrs	12 hrs	Red	13.00 Hrs	5.47 Hrs
	• Maximum time taken to issue a (Binding) tariff ruling	2 days			2 days		
	• Export clearance time	Sea: 2 minutes & Air: 10 minutes			Sea: 1.69 minutes & Air: 1.28 minutes		
	BORDER PROTECTION						
	• Contraband Seizures	Drugs - 25 cases Other contraband – 50 cases Value of all contraband seizures – Rs 80 million			Drugs – 67 cases Other contraband – 60 cases Value of all contraband seizures – Rs 355.7 million		
	• Acquisition of Drug Loo & installation at Airport	December 2021			Completed		
	• Narcotics seizure	N/A				Weight / Qty	Value (Rs)
					Cannabis	12,760.03	7,656,018
					Cannabis seeds	755 units	75,500
					Cocaine	52.40	786,000
					Crystal Meth	4,335.30	65,029,500
Heroin					10,030.42	150,456,300	
MDMA					232.05	3,480,750	
Psychotropic Substances - Pregabalin / Tramadol (capsule)					638 units	95,700	
Hashish					4,498.43	13,495,290	
Synthetic drugs					2,120.00	31,800,000	
Hemp Seed Oil					25,000.00	-	
Total					59,028.63	272,875,058	

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	309
	• Amount of revenue raised in CORs (duties, taxes & penalties)	Rs 5 M	Rs 8.8 M
	• Amount of duties collected from CORs raised (duties, taxes & penalties)	Rs 5 M	Rs 7.7 M
	• Total number of claims raised	750	935
	• Amount of revenue raised in claims	Rs 100 M	Rs 124.2 M
	• Amount of revenue collected from claims raised	Rs 80 M	Rs 90.3 M
	• Total number of Post Control Audits	100	85
	• Duties and taxes raised as a result of value upliftments	Rs 20 M	Rs 32.9 M
	• Number of IPR Suspended Clearance	360	723
	• Number of excise offences detected	10	70
	• Number of control visits of excise operators	250	401
	• Number of e-Auction sales held	36	23
	• Implementation of Central Control Room for CCTV and Scanning Operations	December 2021	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	71
	• Number of cases of complaints/allegations where enquiries initiated	All	24
	• Number of investigations completed	25	30
	• Number of cases where disciplinary, remedial actions or cases referred to Police/ ICAC recommended	All	8
	• Number of Integrity Checks conducted on new recruits, officers selected for promotion	All	122
	• Developing MRA's Whistleblowing Policy	June 2022	Completed
	• Interacting with other institutions/tax administrations to share integrity management experiences	On-going	Interacted with WCO for training and assistance provided to Sierra Leone Revenue Authority, Malawi Revenue Authority, Customs for Niger, Tunisia, Palestine, Jordan & Nepal
	• Conducting Vigilance activities	4	7 (2 at PATS, 1 at SSRIA, 1 at Belfort Tower, 2 at Customs SES Unit, 1 CCTV Ehram Court)
	AUDIT OF SYSTEMS AND PROCESSES		
	• Preparing & implementing Annual Audit Plan using a risk based methodology	September 2021	Completed
	• Number of system audits	8	6 audits completed 1 audit in progress
	• Number of Transaction audits in main areas of Revenue Systems	18	19 audits completed 5 audits in progress
	• Number of follow up exercise	3	Completed for all assignments audited during the period July to December 2021
	• Quality Assurance Improvement Program (QAIP) – External assessment exercise	June 2022	Completed

Objectives	Indicators	Targets	Achievements
5. Developing People, Processes and Technology	MODERNISING IT		
	• Implementation of e-Invoicing System – Phase I	June 2022	90% of tasks earmarked for the period under review has been completed
	• Implementation of ICT infrastructure at ICC	November 2021	100% Completed
	• Maintenance of PRGF Projects	June 2022	95% Completed
	• Tender & Implementation of GRA Central Electronic Monitoring System (CEMS) for Gaming Machines	September 2022	90% of tasks earmarked for the period under review has been completed
	DEVELOPING PROCESSES & TECHNOLOGY		
	• Finalization of Performance Indicators and targets / benchmarks for different departments in MRA	September 2022	Completed
	• <u>Maintenance & Sustainability of ISO Certification</u>	June 2022	Assignments for the period under review completed
	• Monitoring the quality audits		
	• Audit of Customer Services		
	• Monitoring performance of different departments against set targets/benchmarks	Monthly	Completed on a monthly basis
	• Implementation of Taxpayer space (e -Tax account)	April 2022 A fully functional Front-End for online communication and correspondence	90% of tasks earmarked for the period under review has been completed
	• Implementation of Behavioural Insights (ML)	June 2022	100% Completed
	• Upgrade and extension TeamMate to Compliance and Internal Affairs	June 2022	90% Completed Platform is on live testing
	DEVELOPING PEOPLE		
	• Number of Internal Training Programmes conducted including Customer Care	60	65
	• Percentage of staff who completed Induction Training	100%	Induction being organised as & when required. Induction completed for all new recruits
	• Number of Man Days provided	10,000	23,232
	• Updating training needs analysis and designing a training plan	October 2021	Completed
	• Recruitment Plan (Staffing Requirements)	Monthly	Being discussed on a monthly basis during Management Team meetings
	• Percentage of posts vacant against total posts	4%	Nominal Rate:13.6% Real Rate: 4.9%
	• Time Taken (months) to fill in vacancies after advertisement	• Grade I & II – 4 months • Others – 2 months	Vacancies being filled as far as possible within the required target for all grades.
	• Rate of staff turnover	2%	1.22%
	• Conducting Performance Appraisal (PA) Exercise	Every 6 months	Being done as per set target

Objectives	Indicators	Targets	Achievements
	<u>Safety & Health</u>		
	• Number of Health & Safety Committees held	• 6	• 6
	• Number of health/nutrition promotion programme for whole workforce	• 3	• 4
	• Number of emergency simulations organised to test the MRA evacuation procedures	• 3	• 7
	• Number of sensitisation session on the prevention of pandemic diseases or any other disease and/or disaster	• 3	• 11
	• Number of informative HR circular communicated to staff & updates posted on the Intranet	15	50
	• Number of Articles published in MRA Newsletter	10	15
	<u>Employee Assistance Programme</u>		
	• Number of sensitization programmes to be conducted	• 5	• 5
	• Number of counselling sessions to be conducted	• 10	• 30
	• Review of Salary & Conditions of service	January 2022	Completed
	• Improvement /enhancements to HR Computerisation project	3	7

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 Six Years		
Collectible debts as a percentage of total arrears had remained below 10%.	The low level of collectible debts is mainly due to high level of disputed debts. The high level of disputed debts is beyond control of MRA Customs.	Measures announced in the Budget 2022/23 to improve the level of efficiency at the ARC
The number of debt cases increased from 748 as at the end of the previous year to 2,112 cases in FY 2020/21, i.e., an increase of 182%.	The increase in cases is mainly due to the late submission of bills of entry as per Section 9A of the Customs Act that became effective since February 2020.	Awareness programmes about submissions of bills of entry will be carried out
The number of cases classified as “Under Process” significantly increased from 254 in FY 2019/20 to 1,582 in FY 2020/21, whereas the number of cases at the ARC increased from 196 in FY2019/20 to 249 in FY 2020/21.	Section 9A of the Customs Act has been suspended as per directive from the MOFEPD from 11 March 2021 up till 31 December 2022. With the suspension, no claims are being raised for the suspended period. 1,359 out of the 1,582 cases amounting to Rs 3.7 million have been settled / waived / objection allowed at OADRD.	Regular follow-up being done for the remaining cases
Arrears from Companies under receivership increased from Rs 141 million in FY 2019/20 to Rs 147 million in FY 2020/21.	These cases are beyond the control of MRA Customs.	Regular follow-up being done
Excise Section – Inadequate monitoring		
(a) Non Enforcement of Excise Act relating to Alteration		
Regular tests for alcohol using the standard alcoholmeter should be carried out as a safeguard against alterations.	MRA Customs relies on the tests carried out by the Government Analyst Division (MOH&W) in accordance with the relevant provisions of the Excise Regulations 1994.	Action On-going
(b) Inadequate Monitoring Visits to Operators/Dealers		
The Excise Unit should ensure that site visits and returns submitted by operators and dealers of excisable goods are properly monitored in accordance with the Excise Act in order to maximise revenue.	Quarterly visits are effected in accordance with law and enforcement visits are done on risk management basis as far as retail and wholesale dealers are concerned.	Action On-going
Auction Sales – Lapses in the Auction Process		
(a) Shortcomings in Bidding Exercise		

Issues	Proposed Action Plan	Status of Actions taken / Implementation Date
The Customs Department could use other channels to advertise goods being auctioned to attract a larger number of bidders.	All auctions conducted by the MRA are published on its website. Moreover, all registered users receive email notifications for details of each E-Auction. In addition, MRA has recently launched its Facebook page where auctions are posted and same is cascaded to twitter also.	Action On-going
(b) Inappropriate Lotting of Goods being Auctioned		
The Customs Department should regularly carry out an assessment to determine the quantity of bottles to be sold in a lot in order to attract a larger number of bidders.	MRA Customs reassures that due consideration is given in order to maximise revenue. MRA Customs will consider splitting sale of goods in smaller lots as far as it is practical.	As and when required Action On-going
NAO is of the view that the system for sale of goods through E-Auction should be reviewed in order to maximise revenue.	Sale of goods is done as per Regulations 35A (8) of Customs Regulations and established procedures. Consideration will be given to reviewing the system.	Action On-going

20.2. Other Taxes

Issues	Proposed Action Plan	Status of Actions taken / Implementation Date
Revenue Collection		
Revenue Collection in FY 2020/21 decreased by 13% compared to Previous Year – Rs 40.6 billion as compared to some Rs 46.6 billion collected during FY 2019/20 NAO stated that it is due mainly to lockdown and restrictions in certain business activities in the wake of the COVID-19 pandemic	Revenue Collection is back on track after a difficult year due to the COVID-19 pandemic. During the FY 2021/22, Rs 112.6 billion has been collected during the FY 2021/22 for both the Consolidated Fund and other Funds. As compared to the preceding year, the growth in revenues has been a staggering 26%.	The target for FY 2022/23 is to collect Rs 126 billion
Database of Individual Taxpayers and Filing Obligations		

Issues	Proposed Action Plan	Status of Actions taken / Implementation Date
MRA registered an increase of some 60% in the number of taxpayers from 364,000 to 582,000, but the number of filing obligations for returns during FY 2021/22 registered a decrease of some 1.5%, falling from 287,973 to 283,735. Out of the 287,973 taxpayers as at 30 June 2020 who had filing obligations towards MRA, 210,727 taxpayers, representing some 73%, e-filed their returns for the income year 2020/21 as at 15 October 2021.	Not every registered individual (employee) has an obligation to submit a return. A cleansing exercise is effected every year to remove the filing obligations of infructuous individual taxpayers (employees). As is the case every year, reminders are issued to non-filers and non-filers unit chases non-filers. Returns are being submitted after the due date of 15 October and hence the compliance rate improved to 87% (246,773 returns filed).	Action On-going
Arrears of Revenue as at 30 June 2021		
(a) Non Collectible Debts		
Non-collectible Debts represent 67% of Total Debts	Mediation mechanism is being put in place under the MRA Act at the level of ARC to finalise the cases pending at ARC level.	During FY 2022/23
(b) Collectible Debts		
Total collectible debts as at 30 June 2021 have increased by some 21% compared to the debts of Rs 8.8 billion as of the end of the previous FY. Debt recovery was slow for old debts. Debts dating more than one year accounted for some 74% of total collectible debts.	New monitoring mechanism put in place. Collection of arrears for FY 2021/22 has increased substantially to Rs 2.6 billion	Collection of Arrears is an on-going process
Arrears of Revenue PAYE & TDS		
At paragraph 5.7.1 of the Audit Report for the year ended 30 June 2020, outstanding debts for PAYE totalled some Rs 771. Arrears of Revenue in respect of PAYE as at 30 June 2021 were Rs 731 million, representing a decrease of 5%. Debts had arisen as a result of payments not being allocated due to lack of relevant details. As far as TDS was concerned, Arrears of Revenue as of 30 June 2021 have increased from Rs 168 million to Rs 202 million, representing an increase of some 20%.	MRA has taken necessary actions to investigate and clear credit balances through the setting up, in March 2021, of a dedicated Clearing Unit. MRA is working in collaboration with the Treasury to get details of payments effected. Credit balances of Rs 4.3 billion as of 30 June 2020 have been significantly reduced to Rs 1.4 billion as of 30 June 2021. MRA should pursue its efforts to resolve the issue of credit balances.	Action On-going
COVID-19 Financial Support Schemes – Self Employed Assistance Scheme (SEAS)		

Issues	Proposed Action Plan	Status of Actions taken / Implementation Date
A total amount of some Rs 4.8 million was paid to beneficiaries of Basic Retirement Pension (BRP) and Basic Widows Pension (BWP) from March 2020 to June 2021. 122 recipients of the BWP have obtained the SEAS One-off grant for the month of March 2021, totalling some Rs 1.2 million. 6 beneficiaries of the BRP were paid the SEAS One-off grant of for the month of March 2021, totalling some Rs 60,000.	MRA is in the process of claiming back SEAS paid to non-eligible beneficiaries. Perfect verification was not possible at time of payment as timeliness took precedence over accuracy.	During FY 2022/23

LIST OF CHARTS & TABLES

CHARTS

Chart 10.1	MRA Revenue Collections 2006/07 – 2021/22
Chart 10.2	Debt Collection
Chart 10.3	Net VAT Collection
Chart 10.4	Net Corporate Tax Collection
Chart 10.5	Personal Income Tax
Chart 10.6	Tax Deducted at Source
Chart 10.7	Excise Duties
Chart 10.8	Taxes on Gambling
Chart 10.9	Social Contribution
Chart 11.1	Additional assessments raised through audit as a percentage of tax collected by tax type – FY 2021/22
Chart 14.1	Age profile at the MRA for the FY 2021/22
Chart 14.2	Age profile by Gender at the MRA for the FY 2021/22
Chart 14.3	Length of Service of MRA Staff for the FY 2021/22

TABLES

Table 9.1	Board Attendance
Table 9.2	Fees & Duration of Appointment
Table 10.1	Revenue Collections
Table 10.2	Other Fees and Levies collected by the MRA
Table 10.3	Budgeted Collections for FY 2022/23
Table 11.1	Status of Objections and Appeal, FY 2021/22
Table 11.2	Persons prosecuted by types of offences
Table 11.3	Ratio of year-end collectible tax debt to revenue collected by tax type
Table 11.4	Tax Arrears Settlement Scheme
Table 11.5	MRA Rodrigues performance – Some key indicators
Table 11.6	Status of objection cases, FY 2021/22
Table 11.7	Status of ARC cases, FY 2021/22
Table 11.8	Status of Supreme Court cases, FY 2021/22
Table 12.1	Customs Declarations Processed – FY 2021/22
Table 12.2	Narcotics seizures for the FY 2021/22
Table 12.3	Breaches for non-compliance for the FY 2021/22
Table 12.4	Customs Enforcement Interventions for the FY 2021/22
Table 12.5	Outcomes for Containers/Consignments scanned – FY 2021/22
Table 12.6	Outcomes for Post Control and Clearance Audits for the FY 2021/22
Table 12.7	Duties, Taxes and Penalties from Customs Offence Reports (CORs)
Table 12.8	Duty, Excise Duty and Taxes, Penalty and Interest from Claims
Table 13.1	Awareness & Educational campaigns dispensed
Table 13.2	Educational Seminars
Table 13.3	Number of Audio/Visual Media intervention conducted
Table 13.4	Leaflets / Brochures issued during the Year 2021/22
Table 13.5	Meeting with Stakeholders
Table 13.6	Events at the MRA
Table 13.7	Customer satisfaction, feedback & complaints received
Table 13.8	Complaints Management System
Table 13.9	TSS 2021 – Feedback Received from the General Public
Table 13.1	TSS 2021 – Feedback Received from Tax Agents
Table 13.1	TSS 2021 – Feedback Received from Customs Stakeholders
Table 14.1	Human Resource Distribution across Departments – 30 June 2022
Table 14.2	Staff Turnover

GLOSSARY

APS	Advance Payment System
ARC	Assessment Review Committee
ATAF	African Tax Administration Forum
CANS	Customs Anti-Narcotics Section
CATA	Commonwealth Association of Tax Administrators
CCTV	Closed-Circuit Television
CEMS	Central Electronic Monitoring System
CHCL	Cargo Handling Corporation Limited
CIF	Cost Insurance Freight
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
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

GLOSSARY

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.

The contents of this Annual Report are made available for information purposes only and on the understanding that the MRA is not providing fiscal, financial, economic or other professional advice. The MRA does not warrant nor does it accept any responsibility or liability for any loss which may arise from reliance on information contained in this Annual Report. Any discrepancy, if any, may be brought to the notice of the MRA at: researchpolicyandplanning@mra.mu.



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