

# THE VALUE ADDED TAX ACT 1998

Act 2/1998

Date in Force: 1<sup>st</sup> July 1998

Sections 9, 22, 74(4)(a) and(c), 74(7)(b) and 75 shall come into force on the appointed day – 7<sup>th</sup> September 1998

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### **An Act**

**To provide for the replacement of the sales tax on goods value added tax on goods and services and for the purposes connected therewith and incidental thereto.**

ENACTED by the Parliament of Mauritius, as follows —

## **PART I – PRELIMINARY**

### **1. Short title**

This Act may be cited as the **Value Added Tax Act 1998**.

### **2. Interpretation**

In this Act —

“appointed day” means 7 September 1998;

“Authority” means the Mauritius Revenue Authority established under the Mauritius Revenue Authority Act 2004;

**Added by [\[Act No. 33 of 2004\]](#)**

“business” has the meaning given to it by section 3;

“business registration number” has the same meaning as in the Business Registration Act;

**Added by [\[Act No. 10 of 2010\]](#)**

“certificate” means a certificate of registration issued under section 17;

“CO<sub>2</sub> levy” has the same meaning as in the Excise Act;

**Added by [\[Act No. 19 of 2011\]](#)**

“Commissioner” **Deleted by [\[Act No. 33 of 2004\]](#)**

“Committee” **Amended by [\[Act No. 23 of 2001\]](#); Deleted by [\[Act No. 33 of 2004\]](#)**

**Added by [\[Act No. 23 of 2001\]](#)**

“Customs” **Deleted by [\[Act No. 33 of 2004\]](#)**

“customs duty” means the duty leviable under the Customs Act 1988 and the Customs Tariff Act;

“customs laws” has the same meaning as in the Customs Act 1988;

“customs value”, in relation to goods, means the value as determined under the Customs Act 1988;

“Director-General” means the Director-General of the Authority;

**Added by [\[Act No. 33 of 2004\]](#)**

“document” means any document and includes information stored in a computer, disc, cassette, or on microfilm, or preserved by any mechanical or electronic device;

“duty free shop” has the same meaning as in the Customs Act 1988;

“excise duty” means the excise duty chargeable under the Excise Act 1994 on the excisable goods specified in Part I of the First Schedule to that Act;

“exempt supply” means a supply of such goods or services exempted from the payment of VAT as are specified in the First Schedule;

“export enterprise” – Deleted by [\[Act No. 15 of 2006\]](#)

“export processing zone” - Deleted by [\[Act No. 15 of 2006\]](#)

“freeport zone” has the same meaning as in the Freeport Act 2004;

**Amended by [\[Act No. 43 of 2004\]](#)**

“goods” —

- (a) means any movable or immovable property; and
- (b) includes animals; but
- (c) does not include money;

“hire purchase agreement” has the same meaning as in the Hire Purchase and Credit Sale Act;

“import” means bring or cause to be brought within Mauritius;

“input tax”, in relation to a taxable person, means -

- (a) VAT charged on the supply to him of any goods or service and
- (b) VAT paid by him on the importation of any goods,

being goods or services used or to be used in the course or furtherance of his business;

“input tax allowable” means the input tax allowable under section 21

“invoice” —

- (a) means a document notifying an obligation to make payment; and
- (b) includes any document similar to an invoice; but
- (c) does not include a VAT invoice;

“levy on energy consumption” means the levy chargeable under section 3E of the Excise Act;

“local authority” has the same meaning as in the Local Government Act 1989;

“MID levy” means the MID levy chargeable under section 3A of the Excise Act;

**Added by [\[Act No. 18 of 2008\]](#)**

“Minister” means the Minister to whom responsibility for the subject of finance is assigned;

“money” includes currencies whether of Mauritius or any other country but does not include a collector’s piece, investment article or item of numismatic interest;

“non-resident”, for the purposes of section 21(2)(g) and (ga), item 50(a) of the First Schedule, item 6(b)(ii) of the Fifth Schedule and item 1 of Part II of the Tenth Schedule -

(a) in the case of an individual, means a person -

(i) whose permanent place of abode is outside Mauritius; and

(ii) who is outside Mauritius at the time the services are supplied;

(b) in the case of any other person -

(i) means a person whose centre of economic interest is located outside Mauritius; and

(ii) includes a company incorporated in Mauritius in so far as its banking transactions carried out through a permanent establishment outside Mauritius are concerned; but

(iii) does not include a company incorporated outside Mauritius in so far as its banking transactions carried out through a permanent establishment in Mauritius are concerned;

**Added by [\[Act No. 14 of 2005\]](#)**

“officer” means an officer of the Authority; and

**Amended by [\[Act No. 33 of 2004\]](#)**

“output tax”, in relation to a taxable person, means VAT on the taxable supplies he makes in the course or furtherance of his business;

“person” includes any *société*, trust, economic entity or similar organisation, club or association, Ministry or Government department and any local authority;

“private company” has the same meaning as in the Companies Act;

**Added by [\[Act No. 37 of 2011\]](#)**

“qualified auditor” has the same meaning as in the Companies Act 1984;

“quarter” means a period of 3 months ending at the end of March, June, September or December;

“registered person” means a person who is registered under section 15 or 16;

“record” —

- (a) means a record specified in section 19; and
- (b) includes copies of VAT invoice specified in section 20;

“return” means a return specified in section 22;

“services” means anything which is not goods or money;

“société” —

- (a) means a *société* formed under any enactment in Mauritius;
- (b) includes —
  - (i) a *société de fait* or a *société en participation*
  - (ii) a joint venture; or
  - (iii) a *société* or partnership formed under the law of a foreign country;

“supply” has the meaning given to it by section 4;

“tax” -

- (a) means the value added tax specified in section 9; and
- (b) includes any penalty and any interest imposed under this Act; but
- (c) does not include any fine;

**Amended by [\[Act No. 25 of 2000\]](#); [\[Act No. 15 of 2006\]](#)**

“taxable period”, in relation to a taxable person, means —

- (a) in the case where his annual turnover of taxable supplies exceeds the amount specified in the Second Schedule, a month, or part of a month; or
- (b) in any other case, a quarter or part of a quarter;

“taxable person” —

- (a) means any person who is required to be registered under section 15; and
- (b) includes a registered person;

“taxable supply” means a supply of goods in Mauritius, or a supply of services performed or utilised in Mauritius; and

- (a) includes a supply which is zero-rated; but
- (b) does not include an exempt supply,

made by a taxable person in the course or furtherance of his business;

“traveller” - Deleted by [\[Act No. 15 of 2006\]](#)

“tribunal” Deleted by [\[Act No. 23 of 2001\]](#)

“trust” means any trust constituted under any enactment;

“value added tax” means the value added tax charged in accordance with his Act;

“VAT” means value added tax and any reference in this Act to VAT is a reference to value added tax;

“VAT Exemption Card” means a card issued under item 9(b) of the Ninth Schedule;

**Added by [Act No. 37 Of 2011]**

“VAT invoice”—

- (a) means a VAT invoice under section 20; but
- (b) does not include a receipt or invoice under section 19;

“VAT Registration Number” means the VAT Registration Number allocated to a person under section 17;



“visitor” means a person holding -

- (a) a foreign passport; and
- (b) a valid ticket for travel by air or sea to a foreign airport or port;

**Amended by [\[Act No. 25 of 2000\]](#); [\[Act No. 23 of 2001\]](#); [\[Act No. 43 of 2004\]](#); [\[Act No. 14 of 2005\]](#); [\[Act No. 15 of 2006\]](#); [\[Act No. 26 of 2012\]](#)**

### **3. Meaning of business**

(1) In this Act,

“business” —

- (a) means —
    - (i) any trade, commerce or manufacture, profession, vocation or occupation; or
    - (ii) any other activity in the nature of trade, commerce or manufacture, profession, vocation or occupation; and
  - b* (b) includes any activity carried on by a person, whether or not for gains or profit, and which involves in part or in whole the supply of goods or services to other persons for a consideration.
- (2) Anything done in connection with the termination or intended termination of a business is treated as being done in the course or furtherance of that business.
- (3) Where in the case of a business carried on by a taxable person goods forming part of the assets of the business are, under any power exercisable by another person, sold by the other in or towards satisfaction of a debt owed by the taxable person, they shall be deemed to be supplied by the taxable person in the course or furtherance of his business.
- (4) The disposal of a business as a going concern, or of its assets or liabilities, whether or not in connection with its re-organisation or winding up, is a supply made in the course or furtherance of the business.

### **4. Meaning of supply**

(1) Subject to the other provisions of this Act, “supply” means —

- (a) in the case of goods, the transfer for a consideration of the right to dispose of the goods as the owner; or
  - (b) in the case of services, the performance of services for a consideration.
- (2) Without prejudice to the provisions of the Third Schedule and to any regulations made under subsection (4)
  - (a) “supply” in this Act includes all forms of supply, but not anything done otherwise than for a consideration;
  - (b) anything which is not a supply of goods but is done for a consideration (including, if so done, the granting, assignment or surrender of any right) is a supply of services.
- (3) The Third Schedule shall apply for determining what is, or is to be treated as, a supply of goods or a supply of services.
- (4) Without prejudice to section 72(l)(b), the Minister may, by regulations, amend the Third Schedule to provide, with respect to any transaction, whether —
  - (a) it is to be treated as a supply of goods and not as a supply of services;
  - (b) it is to be treated as a supply of services and not as a supply of goods; or
  - (c) it is to be treated as neither a supply of goods nor a supply of services.
- (5)
  - (a) A supply of goods incidental to the supply of services is part of the supply of the services.
  - (b) A supply of services incidental to the importation of goods is part of the importation of the goods.
  - (c) A supply of services incidental to the supply of goods is part of the supply of the goods.
- (6) A supply of services made by a person in performing the duties of his office or employment is not a supply made by that person.

## **5. Time of supply**

- (1) Subject to the other provisions of this Act, a supply of goods or services shall be deemed to take place —
  - (a) at the time an invoice or a VAT invoice in respect of that supply is

issued by the supplier; or

(b) at the time payment for that supply is received by the supplier,  
whichever is the earlier.

(2) Where services are supplied for a continuous period under any enactment or agreement which provides for periodic payments, the services are treated as successively supplied for successive parts of the period as determined by the enactment or agreement and each successive supply shall be deemed to take place —

(a) at the time an invoice or a VAT invoice in respect of the supply is issued by the supplier; or

(b) at the time payment for that supply is received by the supplier,  
whichever is the earlier.

(3) Where a taxable supply is made —

(a) under a hire purchase agreement, the supply shall be treated as a supply of goods and it shall be deemed to be supplied at the time the agreement is made; or

(b) under a lease agreement, the supply shall be treated as a supply of services and it shall be deemed to be supplied -

(i) at the time an invoice or a VAT invoice in respect of that supply is issued by the supplier; or

(ii) at the time payment for that supply is received by the supplier,

whichever is the earlier.

(4) Where any goods specified in Part II of the Seventh Schedule are supplied at the stage in the chain of distribution immediately before the retail stage, the time of supply of those goods shall, subject to subsection (1), be treated, for all intents and purposes, as if the supply at the retail stage has taken place.

(5) Notwithstanding the other provisions of this section, the Minister may, by regulations, make provision with respect to the time at which a supply is to be treated as taking place in cases where it is a supply of goods or services for a consideration, the whole or part of which, is payable periodically or from time to time, or at the end of any period.

Amended by [\[Act No. 20 of 2002\]](#)

**6. Application of the Act**

(1) This Act shall bind the State.

(2) Where in any enactment or agreement made before or after the commencement of this Act, it is provided that notwithstanding any other enactment a statutory corporation or any other person shall be exempt from the payment of the whole or part of any tax, that provision shall not be construed as an exemption from the payment of VAT under this Act.

(3 – 5) Added by [\[Act No. 20 of 2002\]](#); Deleted by [\[Act No. 18 of 2003\]](#)

**PART II - ADMINISTRATION**

**7. Repealed by [\[Act No. 33 of 2004\]](#)**

**8. Confidentiality**

(1) Subject to subsection (2), every officer shall maintain the confidentiality of any return, assessment, document or other matter that comes to his knowledge or possession in the performance of his duties and of functions under this Act and any regulations made thereunder.

(2) Except for the purposes of this Act, any other revenue law, the Prevention of Corruption Act 2002 or where so authorised to do so by the Minister, no officer shall communicate to any person any matter relating to this Act and any regulations made thereunder.

(3) Any officer who, without lawful excuse, contravenes this section shall commit an offence and shall, on conviction, be liable to a fine not exceeding 5,000 rupees and to imprisonment for a term not exceeding 2 years.

Amended by [\[Act No. 14 of 2005\]](#)

**PART III - LIABILITY TO VALUE ADDED TAX**

**9. Charge to value added tax**

(1) VAT shall be charged on any supply of goods or services made in Mauritius, where it is a taxable supply made by a taxable person in the course or furtherance of any business carried on by him.

(2) VAT on any taxable supply is a liability of the person making the supply and becomes due at the time of supply.

(3) Where food or drink, cooked or prepared in any manner, is supplied, such food or drink shall, notwithstanding the other provision of this Act, be

deemed to be a taxable supply.

- (4) Subject to the other provisions of this Act, every person who -
- (a) imports goods, other than goods specified in the First Schedule, shall pay a value added tax on those goods; or
  - (b) being a taxable person, makes taxable supplies, shall, after the end of the taxable period in which those supplies are made, pay to the Director-General, within such time as may be prescribed a value added tax on those supplies.
- (5) VAT on the importation of goods shall be charged, levied and payable as if it were customs duty, excise duty MID levy, CO<sub>2</sub> levy or levy on energy consumption as if all goods imported into Mauritius are dutiable and liable to customs duty, excise duty or MID levy.

**Amended by [\[Act No. 18 of 2008\]](#); [\[Act No. 19 of 2011\]](#); [\[Act No. 26 of 2012\]](#)**

- (6) Every taxable person shall be liable to pay to the Director-General VAT on all his taxable supplies as from the date he is required to be registered as a registered person under this Act.
- (7) The liability under the Act of a société, club, association, or similar organisation, as a taxable person shall not be affected by any change in its associateship or membership, as the case may be.
- (8) No person shall charge VAT on any supplies of goods or services he makes unless he is a registered person at the time the supplies are made.
- (9) Notwithstanding the other provisions of this section, where -
- (a) any goods specified in Part II of the Seventh Schedule; or
  - (b) prepaid cards in respect of any services,

are supplied at any stage in the chain of distribution immediately before the retail stage, the supply shall be deemed to have been

made at the retail stage and VAT on such supply shall be charged on such value as includes the retail margin.

Amended by [\[Act No. 20 of 2002\]](#); [\[Act No. 15 of 2006\]](#)

## 10. Rate of VAT

- (1) Subject to section 51, VAT shall be charged at the rate specified in the Fourth Schedule and shall be charged —
  - (a) on any taxable supply by reference to the value of the supply as determined under section 12; and
  - b* (b) on the importation of any goods, other than those specified in the First Schedule, by reference to the value of the goods as determined under section 13.
- (2) Notwithstanding any other enactment or agreement and subject to subsections (3) and (4), where the rate of tax is varied before the supply of any goods or services takes place pursuant to section 5, the rate of tax on the supply of those goods or services shall be varied as from the date of the variation.
- (3) Where, in the course of the execution of a contract for the supply of any goods or services, the rate of tax is varied, the rate of tax on the supply of those goods or services shall be varied with respect to the remaining part of the contract as from the date of the variation.
- (4) Where, in respect of a continuous supply of services, invoices are issued at regular intervals and the rate of tax is varied, the rate of tax on the supply of those services shall be varied as from the date of the variation.

Amended by [\[Act No. 18 of 1999\]](#); [\[Act No. 20 of 2002\]](#)

## 11. Zero-rating

- (1) Where a taxable person supplies goods or services and the supply is zero-rated —
  - (a) no VAT shall be charged on the supply; but
  - (b) it shall in all respects be treated as a taxable supply,and accordingly the rate at which VAT is treated as charged on the supply shall be nil.
- (2) A supply of goods or services is zero-rated by virtue of this Section if the goods or services are of a description specified in the Fifth Schedule.

## 12. Value of taxable supplies

- (1) For the purposes of this Act, the value of any taxable supply made by a taxable person shall, subject to the other provisions of this Act, be determined in accordance with the provisions of this section and shall be expressed in Mauritius currency.

**Amended by [\[Act No. 10 of 2010\]](#)**

- (2) If the supply is for a consideration in money, its value shall be taken to be such amount as, with the addition of the VAT chargeable, is equal to the consideration or such other amount as the Director-General may determine.
- (3) if the supply is for a consideration not consisting or not wholly consisting of money, the value of the supply shall be taken to be the open market value of the supply or such other value as the Director-General may determine.
- (4) Where a taxable supply is not the only matter to which a consideration in money relates, the supply shall be deemed to be for such part of the consideration as is properly attributable to it.
- (5) For the purposes of subsection (3), the open market value of a supply of goods or services shall be taken to be the amount that would fall to be taken as its value under subsection (2) if the supply were for such consideration in money as would be payable by a person who has no relationship with any person which would affect that consideration.
- (6) Where a supply of any of the goods specified in Part I of the Seventh Schedule is made by a registered person -
- (a) at the stage in the chain of distribution immediately before the stage of retail, VAT shall be calculated on such value of the supply as excludes the retail margin.
- (b) at the stage of retail, VAT shall be calculated on the value of the supply as specified in paragraph (a).

**Added by [\[Act No. 18 of 1999\]](#); [\[Act No. 20 of 2002\]](#)**

- (7) Where a supply of any of the goods specified in Part II of the Seventh Schedule is made by a registered person -
- (a) at the stage in the chain of distribution immediately before the stage of retail, VAT shall be calculated on such value of the supply as includes the retail margin.
- (b) at the stage of retail, VAT shall be calculated on the value of the supply as specified in paragraph (a).

Amended by [\[Act No. 20 of 2002\]](#); [\[Act No. 26 of 2013\]](#)

**13. Value of imported goods**

The value shall, in respect of goods imported by any person. Be the sum of —

- (a) the customs value of the goods;
- (b) the customs duty and excise duty payable on the goods
- (c) the MID levy;
- (d) the CO<sub>2</sub> levy; and
- (e) the levy on energy consumption.

Amended by [\[Act No. 18 of 2008\]](#); [\[Act No. 19 of 2011\]](#); [\[Act No. 26 of 2012\]](#)

**14. Reverse charge on supply of services received from abroad**

- (1) Where a person who does not belong in Mauritius makes a taxable supply of services which are performed or utilised in Mauritius, to a registered person, then all the same consequences shall follow under this Act as if the registered person had himself supplied the services in Mauritius and that supply were a taxable supply.

Amended by [\[Act No. 18 of 2003\]](#)

- (2) Where a supply of services which is treated as made by a registered person under subsection (1), then the provisions of section 21 shall apply and the registered person may claim the tax on the supply of those services as input tax.
- (3) The invoice or other documentation from the person making the supply shall be treated as a VAT invoice.
- (4) The value of the supply under this section shall be the amount paid or payable for the services.
- (5) For the purposes of this section, a person does not belong in Mauritius if that person —
  - (a) has no permanent establishment in Mauritius for the carrying on of his business; or
  - (b) has his place of abode outside Mauritius.

**PART IV - REGISTRATION**

**15. Compulsory registration**

- (1) Subject to the other provisions of this section, every person —



- (a) who, in the course or furtherance of his business, makes taxable supplies; and
- (b) whose turnover of taxable supplies exceeds or is likely to exceed the amount, specified in the Sixth Schedule,

shall apply to the Director-General, in such form and in such manner as may be approved by him, for compulsory registration as a registered person under the Act.

- (2) (a) Notwithstanding section 16, every person engaged in -
  - (i) any business or profession specified in Part I of the Tenth Schedule and whose turnover of taxable supplies does not exceed or is not likely to exceed the amount specified in the Sixth Schedule; or
  - (ii) any business specified in Part II of the Tenth Schedule, irrespective of his turnover of taxable supplies,

shall apply to the Director-General, in such form and in such manner as may be approved by him, for compulsory registration as a registered person under the Act.

- (b) Paragraph (a)(i) shall not apply to a person holding an office or employment, unless the person, otherwise than by virtue of any enactment, is also engaged, in addition to his office or employment, in any business or profession specified in Part I of the Tenth Schedule.

**Added by [\[Act No. 18 of 1999\]](#)**

- (2A) Notwithstanding the other provisions of this Act, the registration of a person engaged in the business specified in item 1 of Part II of the Tenth Schedule shall be in respect of –

- (a) the banking services referred to -
  - (i) in subparagraph (A), (B) and (C) of item 50(a)(ii) of the First Schedule;
  - (ii) in item 6(b)(ii) of the Fifth Schedule; and
- (b) his other taxable supplies, irrespective of the amount of his turnover.

**Added by [\[Act No. 15 of 2006\]](#)**

(3) Where the turnover of a person is made up exclusively of –

(a) zero-rated supplies; or

(b) zero-rated supplies and exempt supplies,

that person shall not be bound to apply for registration under this section.

**Amended by [\[Act No. 17 of 2007\]](#)**

(4) Where the Director-General is satisfied that the applicant is required to be registered, he shall register the applicant as a registered person under the Act.

(5) Where the Director-General is satisfied that —

(a) a person, in the course or furtherance of his business, makes taxable supplies;

(b) the taxable supplies made by certain other persons should properly be regarded as those made by that person;

(c) where the taxable supplies referred to in paragraphs (a) and (b) are together taken into account, that person would be liable to be registered; and

(d) the main reason or one of the main reasons for that person carrying on business in the way he does is the avoidance of a liability to be registered,

the Director-General may issue a direction to that person directing that the persons named therein shall be treated as a single taxable person and that single taxable person shall be liable to be registered under this section.

**Amended by [\[Act No. 18 of 1999\]](#); [\[Act No. 20 of 2002\]](#); [\[Act No. 15 of 2006\]](#); [\[Act No. 17 of 2007\]](#)**

#### **15A. Penalty for failure to apply for compulsory registration**

Any taxable person who does not apply for compulsory registration under section 15 shall be liable to pay to the Director-General a penalty of 5,000 rupees for every month or part of the month from the taxable period in respect of which he is liable to be registered as a registered person up to the month immediately preceding the month in which the application for registration is submitted, provided that the total penalty payable shall not exceed 50,000 rupees.

**Added by [\[Act No. 15 of 2006\]](#)**

#### **16. Voluntary registration**

- (1) Notwithstanding section 15, any person who, in the course furtherance of his business, makes taxable supplies may apply to the Director-General, in such form and in such manner as may be approved by him, for voluntary registration as a registered person under the Act.
- (2) Where the applicant satisfies the Director-General that-
  - (a) he keeps and maintains a proper record of his business; and
  - (b) Deleted by [\[Act No. 26 of 2012\]](#)**
  - (c) he has been discharging his obligations under the revenue laws,the Director-General may register the applicant as a registered person under the Act.

**Amended by [\[Act No. 26 of 2012\]](#)**

#### **17. Certificate of registration**

- (1) Where a person has been registered under section 15 or 16, the Director-General shall allocate to that person a VAT Registration Number and issue to him a certificate of registration in a form approved by the Director-General on such terms and conditions as he thinks fit.
- (2) The Director-General shall, in the certificate of registration issued to a person under subsection (1), specify the VAT Registration Number allocated to that person.

#### **18. Cancellation of registration**

- (1) Where the Director-General is satisfied that a registered person should cease to be registered under the Act, he may, by notice in writing, require

the registered person, within 14 days of the date of the notice, to show cause why he should not cease to be registered and if the Director-General is satisfied that, having regard to all circumstances of the case, it is expedient to do so, he may cancel the registration with effect from such date as the Director-General may determine and give notice thereof to the person.

- (2) Where the registration of a registered person is cancelled under subsection (1), the person shall —
  - (a) cease to hold himself out to be a registered person;
  - (b) submit a return and pay all tax due including the tax due on any goods forming part of the assets of the business, other than those specified in section 21(2)(b);
  - (c) immediately return to the Director-General his certificate of registration and all its copies.

Amended by [\[Act No. 20 of 2002\]](#); [\[Act No. 26 of 2012\]](#); [\[Act No. 26 of 2013\]](#)

## **PART V - RECORD AND VAT IN VOICE**

### **19. Record**

- (1) Every person shall, for the purposes of this Act, keep in the course of his business, a full and true written record, whether electronically or otherwise, in the English or French language of every transaction he makes.
- (2) Every person referred to in subsection (1) who —
  - (a) imports or exports goods shall keep, in respect of those goods, a copy of his Customs declarations, either electronic through the Trade Net or otherwise, in chronological order;
  - (b) receives goods or to whom services are supplied shall keep receipts, invoices or VAT invoices in respect of those goods or services in chronological order they are received or supplied; and
  - (c) makes supplies of goods or services shall, subject to section 20, issue to the purchaser a receipt or invoice in respect of those goods or services and keep legible copies thereof, either electronically or otherwise in chronological order,

in such manner as may be prescribed.

- (3) Subsection (2)(c) shall not apply to the business specified in item 6(b)(ii) of the Fifth Schedule and items 1 and 4 of Part II of the Tenth Schedule.
- (4) Every record under subsection (1) or (2) shall be kept for a period of at least 5 years after the completion of the transaction to which it relates.
- (5) For the purposes of subsection (2)(a), "Trade Net" has the same meaning as in the Customs (Use of Computer) Regulations 1997.

**Amended by [\[Act No. 20 of 2002\]](#); [\[Act No. 18 of 2003\]](#); [\[Act No. 26 of 2013\]](#)**

## **20. VAT invoice**

- (1) Every registered person who makes a taxable supply to any person shall issue to that person a VAT invoice in respect of that supply.
- (2) A registered person who issues a VAT invoice under subsection (1) shall specify in that VAT invoice —
  - (a) the words "VAT INVOICE" in a prominent place;
  - (b) his name, business address VAT Registration Number and business registration number;
  - (c) its serial number and date of issue;
  - (d) the quantity and description of the goods or the description of the services;
  - (e) the value of the supply, indicating whether the value is inclusive or exclusive of VAT;
  - (f) where the value of the supply is exclusive of VAT, the amount of VAT chargeable and the rate applied;
  - (g) where the purchaser is a registered person, the name, business address, business registration number and the VAT Registration Number of the purchaser.
- (3) Every person who issues a VAT invoice under this section shall keep legible copies thereof, either electronically or otherwise, in chronological order.
- (4) Every copy of a VAT invoice under this section shall be kept for a period of at least 5 years after the completion of the transaction to which it relates.
- (5) No person shall issue a VAT invoice or any other document indicating an amount which purports to be VAT on the supply of any goods or services unless —

- (a) he is registered as a registered person under this Act; and
  - (b) the supply is a taxable supply.
- (6) **Repealed by [\[Act No. 26 of 2012\]](#)**
- (7) This section shall not apply to the business specified in item 6(b)(ii) of the Fifth Schedule and items 1 and 4 of Part II of the Tenth Schedule.

**Added by [\[Act No. 20 of 2002\]](#); Amended by [\[Act No. 18 of 2003\]](#);  
[\[Act No. 10 of 2010\]](#); [\[Act No. 37 of 2011\]](#); [\[Act No. 26 of 2012\]](#); [\[Act No. 26 of 2013\]](#)**

## **PART VI - RETURN, PAYMENT AND REPAYMENT OF TAX**

### **21. Credit for input tax against output tax**

- (1) Subject to the other provisions of this section, any person may if he is a taxable person, take, either in his return referred to in section 23 or in his statement referred to in section 23, as a credit against his output tax in any taxable period, the amount of input tax allowable to him during that period.
- (2) No input tax shall be allowed as a credit under this section in respect of —
- (a) goods or services used to make an exempt supply;
  - (b) motorcars and other motor vehicles for the transport of not more than 9 persons including the driver, motor cycles and mopeds, for own use or consumption, and their spare parts and accessories;
  - (c) accommodation or lodging, catering services, receptions, entertainment, and the rental or lease of motor cars and other vehicles specified in paragraph (b);
  - (d) maintenance or repairs of motorcars and other vehicles specified in paragraph (b);
  - (e) petroleum oils and other oils or preparations of heading No. 27.10 of Part 1 of the First Schedule to the Customs Tariff Act, except -
    - (i) fuel oils;
    - (ii) oils or preparations used for resale; and
    - (iii) gas oils for use in stationary engines, boilers and burners;

**Amended by [\[Act No. 28 of 2004\]](#)**

- (f) petroleum gas of heading No. 27.11 of Part I of the First

Schedule to the Customs Tariff Act and used for the running of motor cars and other vehicles specified in paragraph (b),  
(g) goods and services used by banks holding a banking licence under the Banking Act 2004 for providing banking services other than to non-residents and corporations holding a Global Business Licence under the Financial Services Development Act 2001;

**Amended by [\[Act No. 20 of 2002\]](#); [\[Act No. 18 of 2003\]](#), [\[Act No. 14 of 2005\]](#)**

(ga) banking services provided by banks holding a banking licence under the Banking Act 2004 other than to non-residents and corporations holding a Global Business Licence under the Financial Services Development Act 2001; and

**Added by [\[Act No. 14 of 2005\]](#)**

(h) goods and services used by persons for the purpose of providing services specified in item 4 of Part II of the Tenth Schedule, or services specified in item 4 of Part II of the Tenth Schedule.

**Amended by [\[Act No. 18 of 1999\]](#); [\[Act No. 20 of 2002\]](#); [\[Act No. 18 of 2003\]](#); [\[Act No. 28 of 2004\]](#); [\[Act No. 14 of 2005\]](#)**

- (3) (a) Where goods or services are used to make a taxable supply, the credit in respect of those goods or services shall be allowed in full.
- (b) Subject to paragraphs (c) and (d), where goods or services are used to make both taxable supplies and exempt supplies, the credit in respect of those goods or services shall be allowed in the proportion of the value of taxable supplies to total turnover on the basis of -
- (i) in the case of a new business, the estimated figures for the current accounting year; or
- (ii) in any other case, the actual figures for the previous accounting year.
- (c) The amount of input tax taken in accordance with paragraph (b) shall be adjusted by the person at the end of his accounting year, and an adjustment shall be made by him in his return for the taxable period immediately following the end of that year.
- (d) Where it is proved to the satisfaction of the Director-General that the apportionment in accordance with paragraph (b) is, having

regard to the nature of the business, not fair and reasonable, the Director-General may approve such alternative basis of apportionment as he considers appropriate in the circumstances, subject to such conditions as may be prescribed.

**Amended by [\[Act No. 18 of 1999\]](#); [\[Act No. 23 of 2001\]](#); [\[Act No. 33 of 2004\]](#); [\[Act No. 18 of 2008\]](#)**

- (4) The amount of any input tax or output tax shall be adjusted to take into account any debit note or credit note or a bad debt.
- (5) No credit for input tax shall be allowed unless —
  - (a) VAT invoices issued by suppliers legally authorised to charge VAT; or
  - (b) Customs import declarations, either electronic or otherwise, in support of the credit,

are made available to the Director-General for examination on demand.

- (6) Where credit for any input tax has not been taken in the taxable period in which it ought to have been taken, a registered person may take such credit within a period of 24 months of the date the input tax ought to have been taken.

**Amended by [\[Act No. 20 of 2002\]](#); [\[Act No. 14 of 2005\]](#)**

(7)(a) Where, in respect of a building or part of a building (including extension and renovation) forming part of the fixed assets of a registered person, a credit for input tax has been taken, and before the end of the nineteenth year following the year in which it was acquired —

- (i) that building or part of that building is sold or otherwise transferred;
- (ii) the person transfers his business or ceases to carry on business; or
- (iii) the Director-General is satisfied that the person should cease to be registered under the Act,

the registered person shall, subject to subsection (7A), be liable to pay back to the Director-General, in respect of the remaining portion



of that period, the proportionate amount of the credit allowed.

(b) The registered person shall treat the proportionate amount referred to in paragraph (a) as output tax in his return for the taxable period in which –

- (i) the building or part of the building is sold or otherwise transferred;
- (ii) he transfers his business or ceases to carry on business; or
- (iii) his registration as a registered person is cancelled pursuant to paragraph (a)(iii),

whichever is the earliest.

**Amended by [\[Act No. 14 of 2009\]](#); [\[Act No. 37 of 2011\]](#)**

(7A) (a) Where the building or part of a building referred to in subsection (7)(a) in respect of which a credit for input tax has been taken is sold or otherwise transferred to a registered person, before the end of the nineteenth year following the year in which it was acquired, the seller or transferor shall be deemed to have made a taxable supply and shall charge VAT on that supply in accordance with paragraph (b).

(b) The VAT chargeable under paragraph (a) shall be the credit for input tax taken by the seller or transferor in his VAT return in respect of the building or part of the building, multiplied by the factor referred to in paragraph (c).

(c) The factor shall be the proportion which the period between the date of sale or transfer and the expiry of the 20 year period from the date of acquisition bears to the 20 year period.

Amended by [\[Act No. 37 of 2011\]](#); [\[Act No. 26 of 2013\]](#)

- (8) For the purposes of determining the proportion of the value of taxable supplies to total turnover under subsection (3)(b), the value of taxable supplies shall exclude the value of capital goods.
- (9) Notwithstanding subsection (5), but subject to subsection (10), where a person is registered for VAT under section 15, he may, subject to subsection (2), take credit in his first VAT return of the VAT paid or payable on his trading stocks and capital goods, being plant, machinery or equipment of a capital nature, held on the date immediately preceding the date of his registration.
- (10) No credit shall be allowed under subsection (9) unless –
- (a) the registered person submits to the Director-General at the time of submission of his first VAT return, an inventory duly certified by a qualified auditor, of –
    - (i) his trading stocks; and
    - (ii) his capital goods, being plant, machinery or equipment of a capital nature,  
  
on the date immediately preceding the date of his registration;
  - (b) the goods forming part of his trading stocks and the capital goods were acquired within a period not exceeding 3 months immediately preceding the date of his registration;
  - (c) the VAT paid or payable is substantiated by receipts or invoices issued by VAT registered persons or by customs import declarations; and

- (d) credit for input tax in respect of the goods has not been taken under section 23.

Amended by [\[Act No. 18 of 1999\]](#); [\[Act No. 13 of 2001\]](#); [\[Act No. 20 of 2002\]](#); [\[Act No. 17 of 2007\]](#); [\[Act No. 14 of 2009\]](#); [\[Act No. 26 of 2012\]](#); [\[Act No. 26 of 2013\]](#)

## **22. Return and payment of tax**

- (1) Every registered person shall, after the end of every taxable period, within such time as may be prescribed, submit to the Director-General in respect of that period a return, in such manner and in such form as may be approved by the Director-General, specifying —
  - (a) the amount of output tax payable;
  - (b) the amount of input tax allowable;
  - (c) the value of all taxable supplies made by him;
  - (d) the value of goods imported and the value of all taxable supplies made to him;
  - (e) the amount of solidarity levy under section 53B;
  - (ea) the amount of levy under section 53J; and
  - (f) such other particulars as may be required in the form of the return.
- (1A) Where the annual turnover of taxable supplies does not exceed the amount specified in the Second Schedule, a registered person may, notwithstanding subsection (1), by irrevocable notice in writing to the Director-General, elect the taxable period in relation to him be a period of a month or part of a month.
- (1B) Where a registered person has made an election under subsection (1A), he shall submit a return in accordance with this section as from the end of the quarter in which the election is made.

**Added by [\[Act No. 15 of 2006\]](#)**

- (1C) Where a registered person submits his return electronically, he shall also

submit electronically a summary of the value of supplies made to any person, other than a final consumer, in such format as may be determined by the Director-General.

- (2) Where a registered person submits a return under subsection (1) or (1B) and —
  - (a) the output tax exceeds the input tax, the difference representing the amount of tax payable shall be paid to the Director-General at the time the return is submitted, or
  - (b) the input tax exceeds the output tax which would have been payable if the credit has not been taken, the excess amount shall, subject to section 24, be retained to be carried forward onto the return for the following taxable period for the payment of any VAT that is for the time being payable or may become payable by the registered person.
- (3) Where a registered person does not make any supply of goods or services and does not receive any goods or services he shall submit a nil return.

**Amended by [\[Act No. 15 of 2006\]](#); [\[Act No. 37 of 2011\]](#)**

### **23. Tax liability prior to date of registration**

- (1) Where a registered person ought to have been registered on a day prior to the date of his registration, he shall, not later than 30 days after the date of his registration —
  - (a) submit a statement, in a form approved by the Director-General, giving the information and particulars specified in section 22 in respect of the taxable periods commencing on the date the person was required to be registered and ending on the date immediately preceding the date of his registration, provided that such periods do not exceed 5 years; and
  - (b) at the same time, pay any tax due in accordance with the of statement together with any interest under section 27A.
- (2) Notwithstanding section 21(5)(a), any registered person may, in the statement under subsection (1), take as a credit against his output tax for the taxable period, the amount of input tax allowable to him during that period provided that —

- (a) the amount of tax is duly supported by receipts or invoices issued by VAT registered persons and the amount of VAT is separately shown thereon; and
- (b) credit has not been taken under section 21(9).

**Amended by [Act No.18 of 2003]; [\[Act No. 15 of 2006\]](#); [\[Act No. 17 of 2007\]](#)**

#### **24. Repayment of tax**

- (1) Where a registered person submits a return under section 22 and the excess amount includes input tax amounting to more than Rs 100,000 rupees or such other amount as may be prescribed, on capital goods being building or structure (including extension and renovation), plant, machinery or equipment, of a capital nature, the registered person may, in that return, make a claim to the Director-General for a repayment of the amount of input tax allowable in respect of those capital goods.

**Amended by [\[Act No. 23 of 2001\]](#); [\[Act No. 14 of 2005\]](#);  
[\[Act No. 15 of 2006\]](#)**

- (1A) Notwithstanding subsection (1), the Director-General may, on receipt of a claim under that subsection –
- (a) repay the whole or part of the excess amount; or
  - (b) retain the excess amount to be carried forward onto the return for the following taxable period.

- (2) Subject to subsections (3) and (4), where, in respect of a taxable period, a return shows an excess amount, the registered person may, in that return, make a claim to the Director-General for a repayment, in addition to any amount repayable under subsection (1) of that part of the excess amount which corresponds to the proportion of the value of zero-rated supplies to the total value of taxable supplies in that taxable period.

**Amended by [\[Act No. 18 of 1999\]](#); [\[Act No. 23 of 2001\]](#)**

- (3) For the purposes of subsection (2), the excess amount in a return shall not include any input tax for capital goods, whether repayable under

subsection (1) or not.

**Amended by [\[Act No. 23 of 2001\]](#)**

- (4) (a) Where a return shows an excess amount and the registered person is mainly engaged in the zero-rated supplies, he may, in that return, make a claim to the Director-General for a repayment of the whole or part of the excess amount.
- (aa) Where a registered person proves to the satisfaction of the Director-General that any excess amount in his VAT return is unlikely to be set off against subsequent output tax, the Director-General may allow, in such circumstances as may be prescribed, the repayment of the whole or part of the excess amount.

**Added by [\[Act No. 17 of 2007\]](#)**

- (b) On receipt of a claim under paragraphs (a) and (aa), the Director-General may —
  - (i) repay the whole or part of the excess amount; or
  - (ii) retain the excess amount to be carried forward onto the return for the following taxable period.

**Amended by [\[Act No. 18 of 1999\]](#); [\[Act No. 23 of 2001\]](#); [\[Act No. 17 of 2007\]](#)**

- (5) A claim for repayment under this section shall be made in such manner and in such form as may be approved by the Director-General and shall be submitted together with the return.
- (6) Where a claim for repayment is made under this section, the amount claimed shall not be carried forward to the return for the following taxable period and the Director-General may, on being satisfied that the registered person is entitled to the repayment, proceed to make repayment.
- (7) Subject to subsection (7A), a repayment under this section shall be made within 45 days of the date of receipt by the Director-General of the return and the claim referred to in subsection (5).
- (7A) Where a claim for repayment in respect of capital goods being fittings, equipment and furniture acquired by a VAT registered person for the purpose of renovation works of an amount of at least 10 million rupees in

a shop, restaurant or other retail outlet, other than a supermarket or hypermarket, as confirmed by the Board of Investment, reaches the Director-General on or before 31 December 2014, the repayment shall be made within 7 days of the date of receipt by the Director-General of the return and the claim referred to in subsection (5).

- (8) Where the repayment is made after the period specified in subsection (7) or 7(A), the repayment shall carry interest free of income tax, at the prevailing Repo rate determined by the Bank of Mauritius.
- (9) Where in respect of a claim for repayment under this section, it is found that an amount has been overclaimed, the registered person shall, subject to subsection (10), be liable to pay to the Director-General a penalty representing 20 per cent of the amount overclaimed provided that the penalty shall not exceed 200,000 rupees.

**Added by [\[Act No. 25 of 2000\]](#); [\[Act No. 18 of 2003\]](#);  
[\[Act No. 26 of 2013\]](#)**

- (10) Subsection (9) shall not apply where the amount of penalty does not exceed 250 rupees.

**Added by [\[Act No. 25 of 2000\]](#)**

- (11) Subject to subsection (12), the penalty under subsection (9) shall be payable to the Director-General within 28 days of the date of the notification for payment of the penalty.

**Added by [\[Act No. 25 of 2000\]](#)**

- (12) Any penalty payable under subsection (9) shall be applied and set off against any amount of tax which is for the time being repayable to the registered person.

**Amended by [\[Act No. 18 of 1999\]](#); Added by [\[Act No. 25 of 2000\]](#); [\[Act No. 26 of 2012\]](#); [\[Act No. 26 of 2013\]](#)**

## **25. Change in taxable period**

- (1) Where the annual turnover of taxable supplies of a registered person whose taxable period is a quarter exceeds the amount specified in the Second Schedule, he shall —
- (a) within 15 days of the date of the closing of his annual accounts, notify the Director-General of that fact in writing; and
- (b) change his taxable period from a quarter to a month as from the month immediately following that quarter.

- (2) Where the annual turnover of taxable supplies of a registered person whose taxable period is a month does not exceed the amount specified in the Second Schedule, he may —
- (a) within 15 days of the date of the closing of his annual accounts, notify the Director-General of that fact in writing; and
  - (b) change his taxable period from a month to a quarter as from the quarter immediately following that month.
- (3) Where a registered person changes his taxable period under subsection (1) or (2), he shall submit the return under section 22 in the accordance with his new taxable period.

**26. Penalty for non-submission of return by due date**

Where, in respect of a taxable period, a registered person fails to submit a return on or before the last day on which the return is required to be submitted, he shall be liable to pay to the Director-General, in addition to any tax which may be payable, a penalty of 2,000 rupees for every month or part of the month until the return for that taxable period is submitted, provided that the total penalty payable shall not exceed 20,000 rupees.

**Amended by [\[Act No. 25 of 2000\]](#); [\[Act No. 15 of 2006\]](#)**

**26A. Penalty for failure to join electronic system**

Any registered person who is required under regulations made under the Act to submit his return and make any payment of tax due electronically but fails to join the electronic system, after written notice being given to him by the Director-General, shall be liable to pay to the Director-General on his failure within a period of 7 days from the date of the notice to justify the failure to join the system, a penalty of 5,000 rupees, for every month or part of the month from the taxable period specified in the notice, up to the taxable period immediately preceding the taxable period in respect of which he submits his return, and to make any payment



of tax due electronically, provided that the total penalty payable shall not exceed 50,000 rupees.

**Added by [\[Act No. 15 of 2006\]](#)**

**27. Penalty for late payment of tax**

- (1) Where a taxable person fails to pay any tax due on or before the last day on which it is payable under section 21(7), 22, 23, 37, 39 or 67, he shall be liable to pay to the Director-General, in addition to the tax and any penalty under sections 15A, 24(9), 26, 26A and 37A, a penalty of 5 per cent of the tax.
- (2) The penalty under the subsection (1) shall apply to the tax excluding any penalty under sections 15A, 24(9), 26, 26A and 37A and any interest under section 27A.

**Amended by [\[Act No. 15 of 2006\]](#)**

**27A. Interest on tax unpaid or amount repaid or refunded in excess**

- (1) Interest at the rate of one per cent per month or part of the month shall be paid to the Director-General on -
  - (a) any tax unpaid under section 9 or 21(7) from the date the tax remained unpaid to the date of payment;
  - (b) any amount claimed by the Director-General in respect of tax repaid in excess and on any amount paid thereon as interest under section 24 from the date of the repayment up to the date of payment of the amount claimed; or

(c) on any amount claimed by the Director-General under section 67 in respect of tax refunded, exempted or reduced erroneously from the date of the erroneous refund, exemption or reduction to -

(i) the date specified in the notice under section 67; and

(ii) in the case of non-payment by the date specified in the notice under section 67, from that date to the date of payment of the amount claimed.

(2) The interest under subsection (1) shall not apply to any penalty under section 15A, 24(9), 26, 26A, 27 or 37A.

## **27. Penalty for late payment of tax**

(1) Where a taxable person fails to pay any tax due on or before the last day on which it is payable under section 21(7), 22, 23, 37, 39 or 67, he shall be liable to pay to the Director-General, in addition to the tax and any penalty under sections 15A, 24(9), 26, 26A and 37A, a penalty of 5 per cent of the tax.

(2) The penalty under the subsection (1) shall apply to the tax excluding any penalty under sections 15A, 24(9), 26, 26A and 37A and any interest under section 27A.

**Amended by [\[Act No. 15 of 2006\]](#)**

## **27A. Interest on tax unpaid or amount repaid or refunded in excess**

(1) Interest at the rate of one per cent per month or part of the month shall be paid to the Director-General on -

- (a) any tax unpaid under section 9 or 21(7) from the date the tax remained unpaid to the date of payment;
- (b) any amount claimed by the Director-General in respect of tax repaid in excess and on any amount paid thereon as interest under section 24 from the date of the repayment up to the date of payment of the amount claimed; or
- (c) on any amount claimed by the Director-General under section 67 in respect of tax refunded, exempted or reduced erroneously from the date of the erroneous refund, exemption or reduction to -
  - (i) the date specified in the notice under section 67; and
  - (ii) in the case of non-payment by the date specified in the notice under section 67, from that date to the date of payment of the amount claimed.

(2) The interest under subsection (1) shall not apply to any penalty under section 15A, 24(9), 26, 26A, 27 or 37A.

**Added by [\[Act No. 15 of 2006\]](#)**

## **PART VII - POWERS OF DIRECTOR-GENERAL**

### **28. Power to require information**

- (1) Subject to section 33, the Director-General may, by notice in writing, require any person to furnish to him, within such time as may be specified in the notice, information and particulars relating to —
  - (a) the supply of any goods or services made to the person by any other person;

- (b) the supply of any goods or services made by the person to any other person;
- (c) contracts for the supply of any goods or services;
- (d) the amount owed by the person to any other person; and
- (e) such other transactions,

which the Director-General considers necessary or relevant for the purposes of this Act and which may be in the possession or custody, or under the control, of that person.

- (2) Where a notice under subsection (1) is issued to a person, that person shall comply with the requirements of that notice.

## **29. Obligation to furnish information**

- (1) Every person, when so required by the Director-General shall, for the purposes of this Act, within the time fixed by the Director-General, give orally or in writing, as may be required, all such information as may be demanded of him by the Director-General for the purpose of enabling the Director-General to ascertain his tax liability, make an assessment or collect tax.
- (2) Subject to section 33, any person, when so required by notice in writing, shall, for the purposes of this Act, furnish to the Director-General, within the time specified in the notice —
  - (a) a certified copy of the profit and loss account and balance sheet or such other statement of account as may be required, duly audited by a qualified auditor;
  - (b) details of transactions in all the bank accounts of the person, his spouse and minor children; and
  - (c) a certified statement of all assets and liabilities of the person, his spouse and minor children.

## **30. Use of computer system**

- (1) Notwithstanding the other provisions of this Act, the Director-General may authorise —
  - (a) an application for registration under Part IV;
  - (b) a return under section 22 or a statement under section 23;
  - (c) any payment or repayment of tax under the Act; or
  - (d) any act or thing which is required to be done under the Act,to be made, submitted or done electronically through such computer system as may be approved by him.

Amended by [\[Act No. 23 of 2001\]](#); [\[Act No. 33 of 2004\]](#)

- (2) With effect from such date as may be notified in the *Gazette* the Director-General may direct that any matter, act or thing referred to in subsection (1) shall be made, submitted or done electronically or otherwise.
- (3) Any certificate of registration under section 17, any assessment of tax under section 37, or any act or thing which is required to be done by the Director-General under the Act, may be issued, made or done electronically through computer or other mechanical or electronic device.
- (4) A person who submits a return and pays tax in the manner specified in subsection (1) shall continue to submit returns and pay tax in that manner unless otherwise authorised by the Director-General.
- (5) Where, immediately before the commencement of this section, a person has been submitting a return and has been paying tax electronically, the computer system of that person shall be deemed to have been approved by the Director-General for the purposes of subsection (1).

Added by [\[Act No. 23 of 2001\]](#); [\[Act No. 33 of 2004\]](#)

### **31. Production of books and records**

The Director-General may, for the purposes of ascertaining the tax liability of any person, require that person —

- (a) to produce for —
  - (i) examination, either at the business premises of that person or at the Office of the Director-General, books, records, copies of VAT invoices, contracts for the supply of goods or services, bank statements, or other documents, whether electronically or otherwise, which the Director-General considers necessary and which may be in the possession or custody or under the control of that person;
  - (ii) retention, for such period as the Director-General considers necessary, any record or document specified in subparagraph (i) and for taking copies of or extracts therefrom;
- (b) to call, either at the business premises of the person or at the Office of the Director-General, for the purpose of being examined in respect of any transaction or matter relating to the tax liability of that person.

Amended by [\[Act No. 26 of 2013\]](#)

### **32. Power to inspect books, records and goods**

- (1) Subject to subsection (3), the Director-General or any officer authorised by him in writing may, for the purposes of this Act, at all reasonable times, enter any business premises or place where any business is carried on or anything is done in connection with the business and —
  - (a) may require the person carrying on the business or any person on those premises or in that place who is employed by the person carrying on the business to produce any books, records, copies of VAT invoice, balance sheet, stock sheet, contracts for the supply of goods or services, bank statements or other documents relating to the business, whether these are recorded electronically or otherwise, and may remove and retain any such records or other documents, for such period as may be considered reasonable for their examination or inspection;
  - (b) may examine any such records or other documents and take copies of or extracts therefrom;
  - (c) may inspect any goods;
  - (d) may require the person —
    - (i) to produce any goods for inspection; or
    - (ii) to carry out a cash count; and
  - (e) may require the person carrying on the business or any person on those premises or in that place who is employed by the person carrying on the business to give to the Director-General or the authorised officer all reasonable assistance and to answer all proper questions either orally or in writing.
- (2) For the purposes of this Act, the Director-General may, at any time, cause a physical stocktaking of the goods of a registered person to be carried out.
- (3) Subsection (1) shall not apply to any person —
  - (a) who carries on any banking business, or the business of dealings in foreign currency, regulated by the Banking Act 2004, the Bank of Mauritius Act 2004 or any other enactment relating thereto; or

**Amended by [\[Act No. 14 of 2005\]](#)**

- (b) who carries on the business of providing financial services regulated by the Financial Services Development Act 2001.

**Amended by [\[Act No. 14 of 2005\]](#)**

- (4) Any person who —
- (a) fails to provide such assistance or to answer such questions as may be required under this section; or
  - (b) obstructs the Director-General or any officer in the exercise of his powers under this section,
- shall commit an offence and shall, on conviction, be liable to a fine not exceeding 200,000 rupees and to imprisonment for a term not exceeding 5 years.

Amended by [\[Act No. 14 of 2005\]](#); [\[Act No. 26 of 2013\]](#)

**32A. Power to access computers and other electronic devices**

(1) For the purposes of ascertaining the tax liability of any person under this Act, the Director-General may, subject to subsection (2), at any reasonable time —

- (a) have access to —
  - (i) any computer, computer software, whether installed in the computer or otherwise, electronic till or any other device, used in connection with any document which the person is required to produce for the purpose of ascertaining his tax liability; or
  - (ii) any information, code or technology which has the capability of retransforming or unscrambling encrypted data contained or available to such computers or devices into readable and comprehensive format or text;
- (b) inspect and check the operation of any such computer, electronic till or other device and make extracts of any computer software, computer output or such other document used in connection therewith;
- (c) require any person by whom or on whose behalf the computer or

other electronic device is operated, or any person concerned with the operation of the equipment, to give such assistance as is necessary for the purposes of this section; and

(d) require any person in possession of decryption information to grant him access to such decryption information necessary to decrypt data required for the purposes of this section.

(2) Subsection (1) shall not apply to any person referred to in section 32(3).

**Added by [\[Act No. 28 of 2004\]](#)**

**Amended by [\[Act No. 33 of 2004\]](#)**

**33. Time limit to require information, books or records**

- (1) Subject to subsection (2), no person shall be required -
- (a) to furnish or give any information under section 28 or 29; or
  - (b) to produce any books or records under section 31 or 32,
- after 5 years immediately following the last day of the taxable period in which any related transaction took place.
- (2) Subsection (1) shall not apply in case of wilful neglect, evasion or fraud.

**34. Power to require security**

- (1) The Director-General may, for the purposes of securing payment of any tax due, require a person to give security in such amount and in such manner as the Director-General thinks fit.
- (2) Any person who, without any reasonable cause, fails to give such security as is required under subsection (1) shall commit an offence.

**34A. Power to waive penalty or interest**

(1) The Director-General may waive the whole or part of any penalty or interest imposed under this Act where he is satisfied that failure to comply with this Act was attributable to a just or reasonable cause.



(2) In the exercise of his power under subsection (1), the Director-General shall, in writing, record the reasons for waiving the whole or part of the penalty or interest.

Added by [\[Act No. 15 of 2006\]](#)

### **35. Warrant to search and seize**

- (1) Subject to subsection (2), where the Director-General has reasonable ground to believe that an offence has been, is being or is likely to be committed under this Act, he may apply to a District Magistrate for the issue of a warrant to an officer —
- (a) to enter and search any business premises or place where any business is carried on or anything is done in connection with the business;
  - (b) to inspect or examine any goods or books, records or other documents, whether kept on computer or otherwise, found therein; and
  - (c) to seize those goods, books, records or other documents or any computer, device, apparatus, material or computer software used in connection with the business, where such seizure is necessary for any examination or investigation.

Amended by [\[Act No. 28 of 2004\]](#)

- (2) Subsection (1) shall not apply to any person referred to in section 32(3).
- (3) Any goods, books, records or other documents or computer, device, apparatus, material or computer software seized under subsection (1)(c) shall be returned to the person from whom they were seized when longer required.

Amended by [\[Act No. 28 of 2004\]](#)

### **36. Proceedings for temporary closing down of business**

“Where, in respect of a taxable period —

- (a) a registered person fails to submit a return under section 22 or fails to pay the tax payable under that section on or before the last day on which the return is required to be submitted and payment of tax made; and

- (b) the Director-General is of the opinion that tax ought to have been paid by the registered person for that taxable period; or
- (c) a taxable person fails to pay any amount of tax assessed or claimed under this Act,”

the Director-General may notify the person in writing of his intention to close down part or the whole of the business of that person for a temporary period not exceeding 14 days, unless the person complies with this Act within a period of 7 days of the date of the notice.

- (2) (a) Where the registered person fails to comply with the notice issued under subsection (1), the Director-General may make an application under oath, in such form as may be prescribed, to a District Magistrate for an order to close down part or the whole of the business of that person for a period not exceeding 14 days.
- c (b) Where an application under oath is made to the Magistrate in the manner specified in paragraph (a), the Magistrate may forthwith grant the application.
- (c) Upon granting an application under paragraph (b), the Magistrate shall issue an order to an Usher, in such Form as may be prescribed, to close down the business of the person in accordance with the provisions of this section.
- (3) Where an Usher executes an order under subsection (2), he shall affix in a conspicuous place on the front of the premises of the business or part of the business which has been closed, a notice duly certified by the Director-General bearing the words “CLOSED TEMPORARILY FOR NOT SUBMITTING VAT RETURN AND NOT PAYING VAT”; or the words “CLOSED TEMPORARILY FOR NOT PAYING VAT”, as the case may be.
- (4) Where an order under subsection (2) has been executed and the registered person complies with the requirements of —
  - (a) section 22; or
  - (b) section 22(1) and gives security to the satisfaction of the Director-General for the payment of any tax due,

the order shall lapse and the Director-General shall, in writing, notify the registered person accordingly.

- (4) Any person who, contrary to the order, carries on the business or part of the business concerned or who commits any act in breach of the order under this section, shall commit an offence.

Amended by [\[Act No. 37 of 2011\]](#)

### **36A. Anti-avoidance provisions**

- (1) Where the Director-General is satisfied that the purpose or effect of any arrangement or transaction is directly or indirectly –
- (a) to reduce or avoid any liability imposed or which would otherwise have been imposed on any person by this Act;
  - (b) to relieve any person from any liability to tax;
  - (c) to alter the incidence or postpone the time due of any tax which is payable by or which would otherwise have been payable by any person; or
  - (d) to obtain credit for any input tax or repayment of any tax which would not otherwise have been obtained.

the Director-General may, without prejudice to such validity as it may have in any other respect or for any other purpose, disregard or vary, for the purposes of this Act, the arrangement or transaction and make such adjustments as he considers appropriate so as to counteract any tax advantage obtained or obtainable by that person from or under that arrangement or transaction.

- (2) This section shall not apply to any arrangement or transaction carried out for bona fide commercial reasons and does not have as one of its main purposes the avoidance or reduction of tax or the obtaining of any tax advantage
- (3) For the purposes of this section, 'tax advantage' includes -
- (a) any reduction in the liability of any person to pay tax;
  - (b) any reduction in the total consideration payable by any person in respect of any supply of goods or services;
  - (c) any postponement of the time when tax is due or payable; or
  - (d) any increase in the entitlement of a person to a credit for input tax or repayment of tax;

Added by [\[Act No. 25 of 2000\]](#)

**VIII - ASSESSMENTS, OBJECTIONS AND REVIEW OF ASSESSMENTS**  
Amended by [\[Act No. 23 of 2001\]](#)

**37. Director-General may make assessments**

- (1) Subject to subsections (3) and (4), where —
- (a) a person —
    - (i) fails to submit a return under section 22 or a statement under section 23;
    - (ii) fails to keep proper records;
    - (iii) fails to comply with any of the requirements under section 29, 31 or 32;
    - (iv) being a taxable person, fails to apply for registration as a registered person under the Act;
    - (v) benefits from a repayment of tax under section 24 and it is subsequently found that the tax or part of the tax ought not to have been repaid; or
    - (vi) fails to remit to the Director-General any VAT charged on any supply made by him; or
  - (b) the Director-General is not satisfied —
    - (i) with a return submitted under section 22 or statement under section 23; or
    - (ii) with the adequacy or correctness of the record kept,

the Director-General may, on such information as is available to him, make an assessment of the tax due and payable by that person or of the excess amount to be carried forward in case the input tax exceeds the output tax and give to that person written notice of the assessment.

Amended by [\[Act No. 14 of 2005\]](#)

- (2) Where the Director-General has given notice of assessment to any person under subsection (1), that person shall, subject to section 38, pay the amount of tax specified in the notice, not later than 28 days of the date of the notice.

(3) Subject to subsection (5), an assessment under subsection (1), shall not be made after 5 years immediately following the last day of the taxable period in which the liability to pay tax arose.

(4) No assessment under subsection (1) shall be made where the amount of tax or the reduction in the excess amount to be carried forward does not exceed 250 rupees.

**Amended by [\[Act No. 14 of 2005\]](#)**

(5) Subsection (3) shall not apply in case of wilful, neglect evasion or fraud.

**Amended by [\[Act No. 14 of 2005\]](#)**

### **37A. Penalty on amount claimed in assessment**

(1) Where an assessment is made under section 37, the amount of tax claimed in the assessment shall carry a penalty not exceeding 50 percent and such penalty shall be deemed to be part of the tax claimed.

(2) For the purposes of subsection (1), "tax claimed", in relation to the relevant taxable period -

(a) means the difference between the amount of tax payable in the assessment and tax declared in the return under section 22 or statement under section 23; but

(b) does not include -

(i) any penalty under sections 15A, 24(9), 26, 26A, and 27; and

(ii) any interest under section 27A.

**Added by [\[Act No. 15 of 2006\]](#)**

### **38. Objection to assessments**

- (1) (a) Where a person assessed to tax under section 37 is dissatisfied with the assessment, he may, within 28 days of the date of the notice of assessment, object to the assessment in a form approved by the Director-General.
- (b) The form referred to in paragraph (a), duly filled in, shall be sent by the person objecting, by registered post, to the Director-General.

(2) Any person who objects under subsection (1) shall -

- (a) specify in the form, in respect of each of the items in the notice of assessment, the detailed grounds of objection and the adjustments that are required to be made and the reasons therefore;
- (b) submit, at the time of his objection, in respect of each of the taxable periods covered by the assessment, any return required under section 22 or any statement required under section 23;
- (c) pay any amount at the time of his objection of tax specified in the return or statement referred to in paragraph (b) together with any penalty under sections 15A, 24(9), 26, 26A and 27 and any interest under section 27A; and

**Amended by [\[Act No. 18 of 2003\]](#); [\[Act No. 15 of 2006\]](#)**

- (d) in addition, pay, at the time of his objection, the difference, if any, between 30 per cent of the amount of tax claimed in the notice of assessment and the amount of tax paid under paragraph (c).

**Amended by [\[Act No. 18 of 2003\]](#); [\[Act No. 14 of 2005\]](#); [\[Act No. 15 of 2006\]](#) ; [\[Act No. 18 of 2008\]](#); [\[Act No. 10 of 2010\]](#)**

(2A) Where the person, within the time limit referred to in subsection (1), satisfies the Director-General on reasonable grounds that he is unable to pay the amount of tax under subsection (2)(c) and (d) in one instalment, the person shall –

- (a) pay that amount; or
- (b) give security by way of a bank guarantee,

on such terms and conditions as may be determined by the Director-General.

**Added by [\[Act No. 10 of 2010\]](#)**

- (3) Where it is proved to the satisfaction of the Director-General that, owing to illness or other reasonable cause, a person has been prevented from making an objection within the time specified in subsection (1), the may consider the objection as a valid objection under that subsection.
- (4) Where the Director-General refuses to consider a late objection he shall, within 28 days of the date of receipt of the letter of objection, give notice of the refusal to the person.
- (5) Where the person fails to comply with subsection (2), the objection shall be deemed to have lapsed and the Director-General shall,, give notice thereof to that person.

**Amended by [\[Act No. 23 of 2001\]](#); [\[Act No. 33 of 2004\]](#); [\[Act No. 14 of 2005\]](#); [\[Act No. 17 of 2007\]](#); [\[Act No. 10 of 2010\]](#)**

- (6) Where a notice under subsection (4) or (5) is given, the tax specified in the notice of assessment together with any penalty under sections 15A, 24(9), 26, 26A, 27 and 37A and any interest under section 27A shall be paid within 28 days of the date of the notice or the excess amount as assessed shall be deemed to be the excess amount to be carried forward, as the case may be.

Amended by [\[Act No. 14 of 2005\]](#); [\[Act No. 15 of 2006\]](#)

### 39. Determination of objections

- (1) For the purposes of considering an objection, the Director-General may, by notice in writing, require the person, within the time fixed by the Director-General, to furnish or give any information, or produce any books or records, specified in sections 29 and 31.
- (2) After considering an objection, the Director-General shall —
  - (a) disallow or allow it, in whole or in part;
  - (b) determine the objection;
  - (c) where appropriate, amend the assessment accordingly and give notice of his determination to the person.
- (3) Where a notice of determination under subsection (2) is given, the tax specified in the notice together with any penalty under sections 15A, 24(9), 26, 26A, 27 and 37A and any interest under section 27A shall be paid within 28 days of the date of the notice, or the excess amount of input tax against output tax as determined shall be carried forward; as the case may be.

Amended by [\[Act No. 14 of 2005\]](#); [\[Act No. 15 of 2006\]](#)

- (3A) Where an assessment is reduced pursuant to a determination under subsection (2), any amount of tax paid under section 38(2)(d) in excess of the amount payable in accordance with that determination, shall be refunded, together with interest, free of income tax, at the prevailing Repo rate determined by the Bank of Mauritius, from the date the payment is received by the Director-General to the date it is refunded.

Amended by [\[Act No. 33 of 2004\]](#); [\[Act No. 14 of 2005\]](#)

- (4) A notice of determination under subsection (2) in respect of an assessment -
  - (a) made prior to 1 October 2006, shall be given to the person within 6 months of the date on which the objection is lodged; or
  - (b) made on or after 1 October 2006, shall be given to the person within 4 months of the date on which the objection is lodged.

Amended by [\[Act No. 15 of 2006\]](#)



- (5) Where an objection is not determined by the Director-General within the period specified in subsection (4), the objection shall be deemed to have been allowed by the Director-General.
- (6) Any objection under section 38 shall be dealt with independently by an objection directorate set up by the Director-General.

Amended by [\[Act No. 14 of 2005\]](#); [\[Act No. 15 of 2006\]](#); [\[Act No. 26 of 2012\]](#); [\[Act No. 26 of 2013\]](#)

#### **40. Representations to Assessment Review Committee**

Any person who is aggrieved by a decision of the Director-General —

- (a) as to whether or not a supply of goods or services is a taxable supply;
- (b) relating to the registration or cancellation of registration of any person;
- (c) under section 38(4) and (5), 39 or 67,

may lodge written representations with the Clerk to the Assessment Review Committee in accordance with section 19 of the Mauritius Revenue Authority Act 2004.

Amended by [\[Act No. 23 of 2001\]](#); [\[Act No. 33 of 2004\]](#)

#### **41. Conclusiveness of assessments**

Except during a hearing of representations before the Assessment Review Committee —

- (a) no assessment under section 37, decision under section 38(4) or (5), determination under section 39, an agreement under section 61 or a notice under section 67, shall be disputed in any court or in any proceedings either on the ground that the person affected is not liable to tax or the amount of tax due and payable is excessive or on any other ground; and
- (b) every such assessment, decision, determination, agreement or notice, shall be final and conclusive.

Amended by [\[Act No. 23 of 2001\]](#)

### **PART IX - RECOVERY OF TAX**

#### **42. Priority for VAT charged by a registered person**

- (1) Notwithstanding any other enactment, VAT due and payable by a registered person under this Act —
  - (a) shall be held on behalf of the Government of Mauritius; and
  - (b) shall not be subject to attachment in respect of any debt or liability of the registered person.
- (2) In the event of the liquidation or bankruptcy of the registered person, the amount of tax due and payable by that person shall not form part of the estate in liquidation or bankruptcy and shall be paid in full to the Director-General before any distribution of property is made.

**43. Recovery of tax by attachment**

The Director-General may, without prejudice to any other action which he may take, enforce payment of any tax payable under this Act by attachment in the same manner as is provided in the Attachment (Rates and Taxes) Act.

**44. Recovery of tax by distress and sale**

- (1) The Director-General may issue a warrant in a form as may be prescribed to an Usher of the Supreme Court to recover tax payable under this Act by distress and sale of the goods, chattels and effects of the person charged or of the person answerable for its payment.
- (2) Three days' notice of such sale shall be given in the *Gazette*.

**45. Inscribed privilege**

- (1) The Government shall have, in respect of any tax payable under this Act and so long as the tax is not paid in full or the tax liability is not discharged, a privilege on all immovable properties belonging to the person by whom the tax is payable.

**Amended by [\[Act No. 18 of 2003\]](#)**

- (2) Where the Director-General thinks it necessary for securing the recovery of any tax payable under this Act to inscribe the privilege provided for under subsection (1), he shall deposit with the Head of the relevant Department of the Authority 2 identical memoranda in a form as may be prescribed and shall forthwith notify the person by whom the tax is payable, of the deposit of the memoranda.

**Amended by [\[Act No. 33 of 2004\]](#)**

- (3) The Head of the relevant Department of the Authority shall, upon deposit of the memoranda, inscribe the privilege generally on all immovable properties belonging, or which may subsequently belong, to the person by

whom the tax is payable, and shall return one of the memoranda to the Director-General with a statement written or stamped on it to the effect that the privilege has duly been inscribed.

Amended by [\[Act No. 33 of 2004\]](#)

(4) Where a privilege is inscribed under this section, it shall take effect from the date of the inscription.

(5) Where any tax in respect of which an inscription has been taken under this section is paid in full or the tax liability is discharged, the Director-General shall forthwith send to the Head of the relevant Department of the Authority a request in a form as may be prescribed to erase the inscription.

Amended by [\[Act No. 33 of 2004\]](#)

(6) The inscription of a privilege under this section shall be erased the Head of the relevant Department of the Authority at the request of the Director-General.

Amended by [\[Act No. 33 of 2004\]](#)

(7) Any inscription or erasure of inscription which is required to be taken or made under this section shall be free from stamp duty under the Stamp Duty Act 1990 or registration dues leviable under the Registration Duty Act or any other costs.

Amended by [\[Act No. 33 of 2004\]](#)

#### **46. Uninscribed privilege**

(1) Notwithstanding section 45, but subject to subsection (2), the privilege for the recovery of taxes under Articles 2148 and 2152 of the Code Napoleon shall operate on account of tax payable under this Act independently of and without the necessity for inscription, upon —

- (a) personal property wherever found;
- (b) the proceeds of the sale of immovable property; and
- (c) the crops, fruits, rents and revenues,

belonging to the person owing the tax.

(2) The privilege conferred under subsection (1) shall operate only in respect of tax payable for a period of 12 months, at the discretion of the Director-General, and shall rank immediately after the privilege for judicial costs.

#### **47. Contrainte**

(1) Where any tax is payable under this Act, the Director-General may apply to a Judge in Chambers for an order (Contrainte) to issue against the

debtor.

- (2) Any order issued under subsection (1) shall —
  - (a) be served on the debtor; and
  - (b) be executory.
- (3) Any debtor aggrieved by an order issued under subsection (1) may, within 21 days of the service of the order, appeal to the Supreme Court.
- (4) No costs shall be awarded against an unsuccessful party except disbursement for —
  - (a) stamp duty under the Stamp Duty Act 1990;
  - (b) service of the order; and
  - (c) execution of the order.

**48. No limitation of action *for* recovery of tax**

No law relating to the limitation of action shall bar or affect any action or remedy for the recovery of tax payable under this Act.

**PART IXA - Amended by [\[Act No. 18 of 1999\]](#); [\[Act No. 25 of 2000\]](#);  
[\[Act No. 23 of 2001\]](#) Repealed by [\[Act No. 33 of 2004\]](#)**

**PART X – VAT RELATING TO BONDED WAREHOUSES, FREEPORT ZONE AND DUTY FREE SHOPS OR SHOPS UNDER THE DEFERRED DUTY AND TAX SCHEME**

**Amended by [\[Act No. 17 of 2007\]](#)**

**49. VAT relating to a bonded warehouse or an excise warehouse**

- (1) Subject to the other provisions of this Act, no VAT shall be chargeable on any goods entering a bonded warehouse or an excise warehouse.
- (2) VAT shall be chargeable on any goods, other than those specified in the First Schedule, upon their removal from a bonded warehouse to any other place in Mauritius.
- (3) For the purposes of this section —

“bonded warehouse” has the same meaning as in the Customs Act 1988;  
and

“excise warehouse” has the same meaning as in the Excise Act 1994.

**50. VAT relating to freeport zone**

(1) (a) Notwithstanding this Act but subject to paragraph (b), no VAT shall be payable on any goods imported into a freeport zone.

(b) Where an authorisation is granted under section 7(3)(a) of the Freeport Act, VAT shall be payable on the goods and services relating to the authorised activities.

(2) Where a holder of a freeport certificate makes any supply of taxable goods to any person in Mauritius at any place outside the freeport zone, the goods shall be deemed to be imported goods and VAT shall be chargeable on the goods.

Amended by [\[Act No. 26 of 2012\]](#)

**51. Amended by [\[Act No. 18 of 1999\]](#); [\[Act No. 23 of 2001\]](#); [\[Act No. 28 of 2004\]](#);  
Repealed by [\[Act No. 15 of 2006\]](#)**

**52. Repealed by [\[Act No. 15 of 2006\]](#)**

**53. VAT relating to a duty free shop or shop under the Deferred Duty and Tax Scheme**

(1) Notwithstanding the other provisions of this Act, no VAT shall be payable

-

(a) on any goods imported for sale in a duty free shop;

(aa) on jewellery manufactured by a VAT registered company and supplied to a duty free shop;

Added by [\[Act No. 17 of 2007\]](#)

(b) on any goods supplied by a registered person to a duty free shop for sale; and

- (c) on any goods supplied to a passenger by an operator of a duty free shop.
- (2) No VAT shall be payable on –
  - (a) any goods imported for sale in; or
  - (b) jewellery manufactured by a VAT registered company and supplied to,
    - a shop operating under the Deferred Duty and Tax Scheme referred to in section 22 of the Customs Act.

Amended by [\[Act No. 23 of 2001\]](#); [\[Act No. 15 of 2006\]](#);  
[\[Act No. 17 of 2007\]](#)

## **PART XA - SOLIDARITY LEVY**

### **53A. Purpose of solidarity levy**

The purpose of the solidarity levy raised under this Part shall be to finance the Empowerment Programme referred to in the 2006-2007 Budget Speech.

### **53B. Liability to solidarity levy**

- (1) Subject to other provisions of this Part, every operator shall be liable to pay to the Director-General a solidarity levy calculated on his turnover at the rate specified in Part II of the Eleventh Schedule.
- (2) The levy under this Part shall be raised in respect of the 4 financial years ending 30 June 2010.

- (3) The liability to solidarity levy shall be suspended in respect of the taxable period from 1 January 2009 to 30 June 2010.

Amended by [\[Act No. 1 of 2009\]](#)

**53C. Payment of solidarity levy**

Every operator shall, after the end of every taxable period, within such time as may be prescribed, pay to the Director-General, in respect of that period, the levy in such manner as may be approved by the Director-General.

**53D. Circumstances in which no levy is payable**

No levy shall be paid in a financial year where -

- (a) the operator had incurred a loss; or
- (b) the profit of the operator before tax does not exceed 5 per cent of his turnover,

in respect of the accounting year immediately preceding the commencement of the financial year.

**53E. Adjustment of levy**

- (1) Where no levy is payable by an operator in a financial year by virtue of section 53D and at the end of the financial year, it is found that his profit before tax in respect of the accounting year immediately preceding the end of the financial year exceeds 5 per cent of his turnover for that accounting year, the operator shall pay to the Director-General the total levy in respect of that financial year within such time as may be prescribed.

(2) Where levy is payable by an operator during a financial year and it is found that -

(a) the operator had incurred a loss; or

(b) the profit of the operator before tax does not exceed 5 per cent of his turnover,

in respect of the accounting year immediately preceding the end of the financial year, the levy paid during that financial year shall be refunded to the operator within such time as may be prescribed.

**53F. late payment of levy**

Where the operator fails to pay the levy on or before last day on which it is payable under section 53C, he shall be liable to pay to the Director General, in addition to the levy –

(a) a penalty of 5 per cent of the levy; and

(b) interest on the levy, excluding the penalty under paragraph (a), at the rate of one per cent per month or part of the month during which the levy remains unpaid.

**53G. Assessment and recovery of levy**

The provisions of Parts VII, VIII, and IX and sections 65, 67, 68, 69, 70 and 71 of the Value Added Tax Act shall apply to the levy with such modifications, adaptations and exceptions as may be necessary to bring them in conformity with this Part.

**Amended by [\[Act No. 17 of 2007\]](#)**



**53H. Interpretation**

In this Part -

“levy” –

(a) means the solidarity levy referred to in section 53B; and

(b) includes the penalty and interest referred in section 53F;

“operator” means a taxable person engaged in any business specified in Part I of the Eleventh Schedule.

Added by [\[Act No. 15 of 2006\]](#)

**PART XB – LEVY ON MESSAGES**

**53I. Interpretation**

In this Part – “levy” –

(a) means the levy referred to in section 53J; and

(b) includes any penalty and interest imposed under this Act;

“message” means a message sent through MMS or SMS;

“MMS” or “Multimedia Messaging Service” means a system that enables the transmission of –

(a) visual communication, voice communication or electronic mail;  
or

(b) a picture or an animation rich message, including Zlango or other icons,

from a fixed or mobile telephone to –

- (i) another fixed or mobile telephone; or
- (ii) an electronic mail address;

“operator” –

(a) means a provider of public fixed or mobile telecommunication networks and services; and

(b) includes a provider of information and communication services such as value added services and mobile internet; but

(c) does not include a provider engaged exclusively in the provision of internet services or internet telephony services or international long distance services as referred to in the Information and Communication Technologies Act;

“SMS” or “Short Messaging Service” means a system that enables the transmission of short text messages from a fixed or mobile telephone to another fixed or mobile telephone.

### **53J. Liability to levy**

(1) Subject to subsection (2), every operator shall be liable to pay to the Director-General a levy on the total number of messages it sends during a taxable period, at the rate specified in Part III of the Eleventh Schedule.

(2) In calculating the total number of messages for the purpose of subsection (1), every message which is not originally sent by the operator shall not be taken into account.

(3) A message is considered not to be originally sent by an

operator where –

- (a) the transmission of the message was initiated by another operator; and
- (b) the operator referred to in subsection (2) merely delivers the message to the recipient, whether or not the message is actually received.

### **53K. Payment of levy**

Every operator shall, after the end of every taxable period, within such time as may be prescribed, pay to the Director-General the levy in respect of that taxable period, in such form and manner as may be determined by the Director- General.

### **53L. Late payment of levy**

Where the operator fails to pay the levy on or before the last day on which it is payable under section 53K, it shall be liable to pay to the Director-General, in addition to the levy –

- (a) a penalty of 5 per cent of the levy; and
- (b) interest on the levy, excluding the penalty under paragraph (a), at the rate of one per cent per month or part of the month during which the levy remains unpaid.

### **53M. Assessment and recovery of levy**

The provisions of Parts V to IX and XI and sections 67 to 71 shall apply to the levy with such modifications, adaptations and exceptions as may be necessary to bring them in conformity with this Part.

**Added by [\[Act No. 37 of 2011\]](#)**

## **PART XI - OFFENCES**

### **54. Failure to register or pay tax**

Any person who —

- (a) being a taxable person —
  - (i) fails to apply for registration under section 15; or
  - (ii) fails to pay any tax due; or
- (b) being a registered person, fails to include in his return any VAT charged, shall commit an offence.

### **55. Failure to submit return and pay tax**

Any person who, being a registered person —

- (a) fails to submit any return, including a nil return, under section 22;
- (b) fails to submit a statement under section 23; or
- (c) fails to pay tax in accordance with his return or statement, shall commit an offence.

### **56. Failure to keep records or to issue VAT invoice**

Any person who —

- (a) being a registered person, fails to issue a VAT invoice under section 20;
- (b) for the purposes of this Act —
  - (i) fails to keep records or to issue a receipt or an invoice under section 19; or
  - (ii) fails to furnish information under section 29 or to produce books, records or other documents under section 31,

shall commit an offence.

### **57. Incorrect return or information**

Any person who, for the purposes of this Act —

- (a) makes an incorrect return or statement by omitting or understating any output tax or by overstating any input tax;
- (b) makes an incorrect claim for repayment under section 24; or
- (c) gives any incorrect information in relation to any matter affecting his own tax liability or the tax liability of any other person,

shall commit an offence.

#### **58. False returns, books, records or VAT invoices**

Any person who wilfully and with intent to evade VAT -

- (a) submits a return under section 22 or a statement under section 23, which is false in any material particular;
- (b) makes a false claim for repayment under section 24;
- (c) gives any false information to the Director-General;
- (d) makes to the Director-General any statement which is false or incomplete in any material particular;
- (e) prepares or maintains or authorises any other person to prepare or maintain any false books, records, VAT invoices or other documents;
- (f) falsifies or authorises any other person to falsify any books, records, VAT invoices or other documents; or
- (g) misleads or attempts to mislead the Director-General in relation to any matter or thing affecting his own or any other person's liability to VAT,

shall commit an offence.

#### **59. Other offences**

Any person who —

- (a) fails to comply with any of the requirements under section 25(1), 29,31 or 32;
- (b) not being a registered person or being a person who has ceased to be a registered person, holds himself out to be a registered person;
- (c) obstructs any officer in the performance of his functions under the Act or any regulations made thereunder; or

- (d) otherwise contravenes any other provisions of this Act or any regulations made thereunder,

shall commit an offence.

## **60. Penalties for offences**

- (1) Any person who commits an offence under section 36(5), 56, 59(a) or (d) shall, on conviction, be liable to a fine not exceeding 50,000 rupees and to imprisonment for a term not exceeding 3 years.

- (2) Any person who commits an offence under section 57 or 59(b) or (c) shall, on conviction, be liable to a fine which shall not exceed double the amount of tax involved and to imprisonment for a term not exceeding 5 years.

**Amended by [\[Act No. 14 of 2009\]](#)**

- (3) (a) Subject to paragraph (b), any person who commits an offence under section 54, 55 or 58 shall, on conviction, be liable to a fine which shall not exceed treble the amount of tax involved and to imprisonment for a term not exceeding 8 years.

**Amended by [\[Act No. 14 of 2009\]](#)**

- (b) Where a person is convicted for an offence under section 55(a) or (b), he shall, in addition to any penalty imposed under paragraph (a), be ordered by the court to submit the return or statement, as the case may be within such time as the court may determine.

**Amended by [\[Act No. 14 of 2009\]](#)**

## **61. Compounding of offences**

- (1) (a) The Director-General may, with the consent of the Director of Public Prosecutions compound any offence committed by a person under this Act or any regulations made thereunder, where such person agrees in writing to pay such amount acceptable to the Director-General representing -

- (i) any tax unpaid; and

(ii) an amount not exceeding the maximum pecuniary penalty imposable under this Act for such offence.

(b) For the purposes of paragraph (a), the Director-General shall chair a committee which shall consist of 3 other officers of the management team of the Authority.

**Amended by [\[Act No. 10 of 1998\]](#); [\[Act No. 33 of 2004\]](#)**

(2) Every agreement under subsection (1) shall be made in writing under the hand of the Director-General and the person, and witnessed by an officer.

(3) Every agreement under subsection (1) shall be final and conclusive and a copy thereof shall be delivered to the person.

(4) Where the Director-General compounds an offence in accordance with this section —

(a) the amount for which the offence is compounded shall be deemed to be tax assessed under this Act and shall be recoverable as tax; and

(b) no further proceedings shall be taken in respect of the offence so compounded against the person.

**Amended by [\[Act No. 10 of 1998\]](#); [\[Act No. 33 of 2004\]](#); [\[Act No. 26 of](#)**

**[2012\]](#)**

## **62. Tax payable notwithstanding prosecution**

Any person convicted of an offence under this Act or any regulations made thereunder or who has agreed to the compounding of an offence under section 61 shall not be relieved of his liability for payment of any tax due.

## **PART XII - MISCELLANEOUS**

### **63. Cessation or transfer of business**

(1) Where a registered person intends to cease business, he shall immediately notify the Director-General in writing of the date of the cessation of business.

(2) Subject to subsection (3), a registered person who ceases business shall, within 15 days of the date of the cessation —

(a) submit a return and pay all tax due including the tax due on any goods forming part of the assets of the business other than those specified in section 21(2) (b); and

**Amended by [\[Act No. 18 of 2003\]](#)**

(b) return to the Director-General his certificate of registration and all his copies.

(3) Subject to section 21(7A), where a registered person who ceases to carry on business, sells or otherwise transfers his business as a going concern to another registered person, he shall not charge VAT on the sale or transfer.

**Amended by [\[Act No. 37 of 2011\]](#); [\[Act No. 26 of 2013\]](#)**

#### **63A. Tax liability of principal officer of private company**

(1) The principal officer of a private company shall –

- (a) be answerable for the doing of all such things as are required to be done by that company under this Act;
- (b) be required to retain out of any money or property of the company, so much as is sufficient to pay VAT which is or will become payable by that company; and
- (c) be personally liable in respect of the VAT payable by that company to the extent of any amount he has or should have retained under paragraph (b).

(2) For the purpose of subsection (1), “principal officer” means the executive director, or any other person who exercises or who is entitled to exercise or who controls or who is entitled to control, the exercise of powers which would fall to be exercised by the Board of directors.

**Added by [\[Act No. 37 of 2011\]](#)**

#### **64. Tax liability of appointed person**

(1) Where an administrator, executor, receiver or liquidator is appointed to manage or wind up the business of any taxable person, the appointed person shall —



- (a) give notice of the appointment to the Director-General within 15 days of the date of the appointment, in such manner and in such form as may be approved by the Director-General;
  - (b) before disposing of any asset of the taxable person, set aside such sum out of the asset as appears to the Director-General to be sufficient to provide for any tax that is or may become due and payable by the taxable person; and
  - (c) do everything that is required to be done by a taxable person under this Act.
- (2) Any appointed person who, without reasonable cause or justification, fails to comply with any of the requirements of subsection (1) shall be personally liable to pay any tax that is or may become due and payable and shall commit an offence.

**65. Refund of VAT to persons other than taxable persons**

Any person, other than a taxable person, may, within 3 years of the date of payment of the tax, make an application to the Director-General, in such form and manner as the Director-General may determine, for a refund of tax paid at importation, where –

- (a) the tax was paid in error;
- (b) the goods have been damaged, pilfered, lost or destroyed during the voyage;
- (c) the goods have been ordered to be destroyed as being unfit for consumption; or
- (d) the goods are found to be defective, obsolete or not according to specifications and are subsequently exported in accordance with section 23(1A) of the Customs Act.

Amended by [\[Act No. 28 of 2004\]](#); [\[Act No. 33 of 2004\]](#); [\[Act No. 10 of 2010\]](#); [\[Act No. 37 of 2011\]](#); [\[Act No. 26 of 2012\]](#); [\[Act No. 26 of 2013\]](#)

**65A. Refund of VAT to persons other than registered persons**

(1) Any person referred to in subsection (2), other than a registered person, may, subject to subsections (3) and (4), make an application to the Director-General, in such form and manner as the Director-General may determine, for a refund of VAT paid on equipment specified in the Twelfth Schedule and used for the purposes of his activities.

(2) An application under subsection (1) shall be made, in respect of equipment specified in –

- (a) Part I of the Twelfth Schedule, by a planter or a horticulturist registered with the Small Farmers Welfare Fund under the Small Farmers Welfare Fund Act or a co-operative society registered under the Co-operatives Act;
- (b) Part II of the Twelfth Schedule, by a pig breeder registered with the Small Farmers Welfare Fund under the Small Farmers Welfare Fund Act or a co-operative society registered under the Co-operatives Act;
- (c) Part III of the Twelfth Schedule, by a breeder, other than a pig breeder, registered with the Small Farmers Welfare Fund under the Small Farmers Welfare Fund Act or a co-operative society registered under the Co-operatives Act;
- (d) Part IV of the Twelfth Schedule, by an apiculturist registered with the Entomology Division of the Ministry responsible for the subject of agriculture;
- (e) Part V of the Twelfth Schedule, by a fisherman registered with the Fishermen Welfare Fund under the Fishermen Welfare Fund Act or a co-operative society registered under the Co-operatives Act; or
- (f) Part VI of the Twelfth Schedule, by the holder of a baker's licence, other than that issued to a hypermarket or supermarket operating as a classified trade under the Local Government Act, issued under the Bread (Control of Manufacture and Sale) Regulations 1988.

(3) An application under subsection (2) shall –

- (a) be made in respect of VAT paid on equipment imported or purchased from a registered person as from 1 January 2013; and
- (b) be submitted to the Director-General within 15 days after the end of every quarter, in such form and manner as the Director-General may determine.

(4) On receipt of an application under subsection (3)(b), the Director-General shall proceed with the refund not later than 15 days from the date of receipt of the application.

(5) (a) No application under subsection (2) shall be made where, for a quarter, the amount refundable is less than 1,000 rupees.

(b) Where the amount refundable is less than 1,000 rupees for a quarter, the amount may be carried forward to the following quarter.

(c) No refund shall be made where an application is made more than one year from the date of payment of the tax.

#### **65B. Refund of VAT to diplomatic missions and agents**

(1) Where goods, other than motor vehicles, petrol, alcoholic beverages and cigarettes, are purchased from a registered person by a diplomatic mission and an agent approved jointly by the Secretary for Foreign Affairs and the Director-General and the purchase price of the goods, exclusive of VAT, specified in each invoice is not less than 3,000 rupees, the diplomatic mission and agent may make an application to the Director-General for a refund of the VAT paid on those goods.

(2) Every application for a refund under paragraph (a) shall –

(a) be made within 30 days after the end of every quarter, in such form and manner as the Director-General may determine; and

(b) be accompanied by a certified copy of the VAT invoice showing the amount of VAT paid.

(3) On receipt of an application under paragraph (b), the Director-General shall proceed with the refund not later than 45 days from the date of receipt of the application.

#### **65C. Refund of VAT to persons on residential building or apartment**

(1) Subject to this section, any person who satisfies the conditions set out in Part VII of the Twelfth Schedule may make an application for a refund of VAT on the construction of a residential building by a building contractor or the purchase of a residential apartment from a property developer.

(2) Every application under subsection (1) shall, subject to subsection (3) –

(a) be made in such form and manner as the Director-General may determine;

- (b) be accompanied, in the case of –
  - (i) a building contractor, by VAT invoices issued under section 20;
  - (ii) a property developer, by receipts issued under section 19(2)(c); and
- (c) be submitted to the Director-General, not later than 30 days from the end of every quarter in respect of which the VAT has been paid.

(3) (a) Subject to paragraph (b), the amount of VAT refundable under this section shall –

- (i) in the case of the construction of a residential building by a building contractor, not exceed the amount of VAT paid to the building contractor; or
- (ii) in the case of the purchase of a residential apartment from a property developer, not exceed the purchase price multiplied by the factor 0.104.

(b) Any refund under paragraph (a) shall not exceed 300,000 rupees.

(4) (a) No refund of VAT shall be made to a person where the application is made more than 12 months from the date of payment of the final amount of VAT to the building contractor or property developer, as the case may be.

(b) Subject to paragraph (c), no application under subsection (2) shall be made where, in respect of a quarter, the amount of VAT refundable does not exceed 25,000 rupees.

(c) Paragraph (b) shall not apply in respect of the final application.

(d) Subject to paragraph (c), where the amount of VAT refundable does not exceed 25,000 rupees in respect of a quarter, the person shall include that amount in his application in respect of the subsequent quarter, provided that in respect of each subsequent quarter, the total amount exceeds 25,000 rupees.

(5) On receipt of an application under this section, the Director-General shall proceed with the refund not later than 30 days from the date of receipt of the application.

#### **65D. Time limit for refund and payment of interest**

(1) Subject to subsection (3) and section 65A(4), 65B(3) or 65C(5), where the Director-General is satisfied that the applicant is entitled to a refund, he shall proceed to make the refund within 3 months of the date of receipt of the application.

(2) Where the refund is made after 3 months from the date of receipt of the application under subsection (1), the refund shall carry interest, free of income tax, at the prevailing Repo rate determined by the Bank of Mauritius.

(3) No refund of tax under section 65, 65A, 65B or 65C which is less than 250 rupees or such other amount as may be prescribed shall be made.

Added by [\[Act No. 26 of 2013\]](#)

#### **66. Exempt bodies or persons**

(1) Any person specified in Column I of the Ninth Schedule shall be exempted from the payment of VAT in respect of goods and services corresponding to the person specified in Column 2 of that Schedule.

(2) Where goods or services are supplied pursuant to subsection (1), the registered person shall not charge VAT on the goods or services supplied nor shall any element of VAT be added to the price of those goods or services.

Amended by [\[Act No. 18 of 1999\]](#); [\[Act No. 15 of 2006\]](#)

#### **67. Erroneous refund, exemption or reduction**

(1) Where any person has benefited through error from a refund, exemption or reduction of tax, he shall be liable to pay the amount of tax which has been erroneously refunded, exempted or reduced.

(2) The Director-General may, by written notice, order the person under subsection (1) to pay, within 28 days of the date of the notice, the tax which has been erroneously refunded, exempted or reduced, together with the appropriate interest under section 27A(1)(c)(i).

- (3) Where a person referred to in subsection (1) does not comply with an order of the Director-General within 28 days of the date of the notice under subsection (2), he shall be liable to pay, in addition to the tax, a penalty under section 27 and interest under section 27A(1)(c)(ii).

Amended by [\[Act No. 15 of 2006\]](#)

**68. Service of documents**

- (1) Any return, statement or other document or any payment required or authorised to be served on, given or made to, the Director-General shall be forwarded to him so as to reach the Office of the Director-General not later than the due date.
- (2) Any notice of assessment or other notice or other document required to be served on, or given to, any person by the Director-General may be served or given by —
- (a) delivering it personally to him;
  - (b) leaving it at, or sending it by post to, his usual or last known place of business or residence; or
  - (c) transmitting it electronically or through such other electronic or mechanical device.
- (3) Where a person —
- (a) refuses to accept delivery of a letter addressed to him; or
  - (b) fails to take delivery of such a letter which he has been informed awaits him at a post office,

the letter shall be deemed to have been served on him on the date on which he refused to accept the letter or was informed that the letter was at the post office.

Amended by [\[Act No. 26 of 2013\]](#)

**69. Admissibility of documents produced by computer**

- (1) In any legal proceedings under this Act or any regulations made thereunder, a statement contained in a document produced by a computer shall be admissible as evidence of any fact stated therein of which direct oral evidence would be admissible if it is shown that the prescribed conditions have been satisfied.

- (2) In any proceedings, the court may for special cause require evidence to be

given of any matter under this section.

- (3) Any person giving any information under this section which is false or misleading in any material particular shall commit an offence and shall, on conviction be liable to a fine not exceeding one million rupees and to imprisonment for a term not exceeding 8 years.

#### **69A. Rulings**

- (1) A person, who in the course or furtherance of his business, makes taxable supplies, may apply to the Director-General for a ruling as to the application of this Act to any of the supplies made to him or made by him.
- (2) An application under this section shall be in writing and shall -
  - (a) include full details of the transaction relating to the supply together with all documents relevant to the transaction;
  - (b) specify precisely the question as to which the ruling is required;
  - (c) give a full statement setting out the opinion of that person as to the application of this Act to that supply; and
  - (d) be accompanied by such fee as may be prescribed.
- (3) The Director-General shall, within 30 days of the receipt of an application under this section, give a ruling on the question to the applicant.
- (4) Subject to subsection (5), a ruling under this section shall be binding on the Director-General.
- (5) Where there is a material difference between the actual facts relating to the transaction and the details contained in the application, the ruling shall not be binding on the Director-General.
- (6) A ruling under this section shall be published by the Director-General in such manner as he thinks fit except, that the identity of the person to whom the ruling relates shall not be indicated in the publication.
- (7) Subject to subsection (8), a person may rely upon a ruling published under subsection (6) as a statement binding on the Director-General with respect to the application of this Act to the facts set out in that ruling.
- (8) The Director-General may publish a notice in the *Gazette* to the effect that a ruling, which he had previously published, shall cease to be binding with effect from a date which shall not be earlier than the date of the notice.

**Amended by [\[Act No. 18 of 1999\]](#)**

**69B. Statement of Practice**

The Director General shall, from time to time, issue and publish Statements of Practice in relation to the application of specific provisions of this Act.

Added by [\[Act No. 18 of 2008\]](#)

**70. Jurisdiction of Magistrate**

(1) Notwithstanding —

- (a) section 114(2) of the Courts Act; and
- (b) section 72(5) of the District and Intermediate Courts (Criminal Jurisdiction) Act,

a Magistrate shall have jurisdiction to try an offence under this Act or any regulations made thereunder and may impose any penalty provided by this Act.

- (2) The prosecution for an offence under any of the sections of this Act specified in the Fourth Schedule to the Mauritius Revenue Authority Act 2004 shall take place, at the discretion of the Director of Public Prosecutions, before a Judge sitting without a jury, the Intermediate Court or a District Court.

Added by [\[Act No. 33 of 2004\]](#); [\[Act No. 15 of 2006\]](#)

**71. Burden of proof**

(1) Notwithstanding any other enactment, the burden of proof that any tax has been paid, or any supply of goods or services, or any person, is exempt from tax shall lie on the person —

- (a) liable to pay the tax;
- (b) claiming that the tax has been paid; or
- (c) claiming that he is, or the supply of the goods or services is, exempt from tax.

(2) In any action or proceedings arising out of the seizure of any goods under this Act, the burden of proving that the seizure is illegal shall lie on the person making the allegation.

**72. Regulations**

(1) The Minister may —



- (a) make such regulations as he thinks fit for the purposes of this Act;
  - (b) by regulations —
    - (i) prescribe any matter which may or is required to be prescribed under this Act; or
    - (ii) amend the First Schedule, the Second Schedule, the Third Schedule and the Twelfth Schedule .
- (2) Any regulations made under this section may provide for –
- (a) the proper implementation of any International Convention, Treaty or Agreement to which Mauritius is a contracting party; or
  - (b) the levying of fees and charges.

Amended by [\[Act No. 17 of 2007\]](#); [\[Act No. 37 of 2011\]](#)

### **73. Transitional provisions**

(1) Notwithstanding this Act, where a person who applies for VAT registration on or before 30 June 2013 ought to have been registered prior to the date of his registration, he shall submit the statement under section 23 in respect of taxable periods commencing on the date he was required to be registered or 1 January 2010, whichever is the later, and ending on the date immediately preceding the date of his registration.

- (2) A person referred to in subsection (1) –
- (a) shall submit the statement required under section 23, by 30 September 2013 at latest;
  - (b) may take credit for input tax for the taxable periods in respect of which the statement is submitted; and
  - (c) shall be allowed such deemed credit for input tax as may be determined by the Director-General where he cannot substantiate the VAT paid or payable on the taxable supplies made to him during the period prior to registration.

(3) A person who makes an application for VAT registration pursuant to subsection (1) shall not be liable to –

- (a) penalty for failure to apply for compulsory registration under section 15A;
- (b) penalty for late payment of tax under section 27; and
- (c) interest on unpaid tax under section 27A, from the date the tax was due to 30 September 2013.

(4) Where, on or before 30 September 2013, a registered person makes a voluntary disclosure of his undeclared or underdeclared VAT liability for taxable periods prior to taxable period commencing on 1 October 2012, he shall, at the same time, pay the VAT at the appropriate rate in force in respect of each taxable period, free from any penalty that may have become due in accordance with this Act and free of interest up to 30 September 2013 under section 27A.

(5) For the purpose of the disclosure under subsection (4), the person shall be entitled to credit for input tax in respect of the period of the disclosure.

(6) Where the VAT disclosed under subsection (4) is not paid by 30 September 2013, any unpaid VAT shall carry interest at the rate of one per cent per month.

(7) Where a person who has been assessed to tax –

- (a) has objected to the assessment under section 38;
- (b) has lodged a representation with the Clerk of the Assessment Review Committee; or
- (c) has appealed to the Supreme Court or to the Judicial Committee of the Privy Council,

he may apply to the Director-General for the tax assessed to be considered as a voluntary disclosure of undeclared VAT under subsection (4), provided that he withdraws his objection, representation or appeal, as the case may be.

(8) Where a person has made an application under subsection (7), his VAT liability shall be recomputed to take into account the credit for input tax for the period assessed and any agreement reached between the person and the Director-General on any item under dispute.

(9) (a) The disclosure under subsection (4) shall be made in such form and manner and under such conditions as may be determined by the Director-General.

(b) Failure to comply with any condition under this subsection shall entail the withdrawal of any benefits under subsections (4) and (10) to the taxpayer.

(10) Where a person –

- (a) submits a statement of VAT payable in respect of the period prior to the date of his registration pursuant to subsection (2); or
- (b) makes a voluntary disclosure of his VAT liability pursuant to subsection (4); and

the Director General is satisfied with the statement or disclosure, as the case may be, the person shall be deemed, notwithstanding sections 54 to 61, not to have committed an offence.

(11) Where VAT arrears outstanding as at 31 December 2012 are paid by a person on or before 30 November 2013, any penalty included in the VAT arrears shall be reduced –

- (a) by 100 per cent of penalty charged under sections 15A and 24(9); and
- (b) by 75 per cent of penalty and interest charged under sections 26, 27 and 27A, provided that an application for the reduction is made to the Director-General on or before 30 September 2013.

(12) In subsection (11) –

“VAT arrears” –

- (a) means tax in respect of –
  - (i) a return made under section 22;
  - (ii) a statement made under section 23; or
  - (iii) an assessment made under section 37, before 30 June 2006 and tax and penalties in connection thereto have remained unpaid; but
- (b) does not include tax due under an assessment which is pending before the Assessment Review

Committee, Supreme Court or Judicial Committee of the Privy Council.

- (13) This section shall not apply to any person –
- (a) who has been convicted on or after 1 July 2001 of an offence relating to;
  - (b) against whom any civil or criminal proceedings are pending or contemplated in relation to an act of; or
  - (c) in relation to whom an enquiry is being conducted into an act of,

the trafficking of dangerous drugs, arms trafficking, or an offence related to terrorism under the Prevention of Terrorism Act, money laundering under the Financial Intelligence and Anti-Money Laundering Act or corruption under the Prevention of Corruption Act.

- (14) Where a person ceases to be a registered person on 1 April 2013 on grounds that his annual turnover does not exceed or is not likely to exceed 4 million rupees and his return for the last taxable period shows an excess amount, that amount shall be deemed to be value added tax on trading stocks held, and in respect of services not supplied, by that person and shall not be refundable and shall not be carried forward as a credit to be offset against his VAT liability, if any.

**Repealed and replaced by [\[Act No. 26 of 2012\]](#)**

**Amended by [\[Act No. 15 of 2006\]](#); [\[Act No. 17 of 2007\]](#); [\[Act No. 37 of 2011\]](#)**

#### **74. Consequential amendments**

- (1) The Sales Tax Act 1982 is amended in section 2 —
- (a) in the definition of “Director-General”, by deleting the words “Sales

Tax” and replacing them by the words “Value Added Tax”; and

- (b) in the definition of “officer” by deleting the words “Sales Tax Department” and replacing them by the words “VAT Department”.
- (2) The Hotel and Restaurant Tax Act 1986 is amended in section 2, by deleting the words “Sales Tax Act 1982” wherever they appear and replacing them by the words “Value Added Tax Act 1998”.
- (3) The Customs Act 1988 is amended in section 2, in the definition of “taxes”, in paragraph (a), by deleting the words “sales tax” wherever they appear and replacing them by the words “value added tax”.
- (4) The Excise Act 1994 is amended —
  - (a) in section 2 —
    - (i) by deleting the definition of “sales tax”; and
    - (ii) by inserting in its appropriate alphabetical order, the following new definition -

“value added tax” means the value added tax chargeable under the Value Added Tax Act 1998;
  - (b) in section 10, in subsection(3)(b), by deleting the words “Director-General for Sales Tax” and replacing them by the words “Director-General for Value Added Tax”; and
  - (c) in section 48, in subsection (2Xa), by deleting the words “sales tax” and replacing them by the words “value added tax”.
- (5) The Gaming Act is amended in section 2, in the definition of Director-General”, by deleting the words “the Sales Tax Act 1982” and replacing them by the words “the Value Added Tax Act 1998”.
- (6) The Tax Appeal Tribunal Act 1984 is amended —
  - (a) in section 4, in subsection (3), by adding immediately after paragraph (g) the following new paragraph —

5 (h) in the case of liability to value added tax under the Value Added Tax Act 1998 —

    - (i) where he is a registered person, submit all returns and statements due and pay the amount of any tax shown on those returns and statements together with any surcharge and any penalty due and the specified amount; or
    - (ii) in any other case, pay the specified amount; or

(b) in section 6, in subsection(S) (b), by deleting the words “and the Hotel and Restaurant Tax Act 1986” and replacing them by the words “,the Hotel and Restaurant Tax Act 1986 and the Value Added Tax Act 1998”; and

(c) in the Schedule, by adding the following —

The Value Added Tax Act 1998

(7) The Unified Revenue Act 1983 is amended in the Schedule -

(a) in PART I, by deleting the words “Director-General for Sales Tax” and replacing them by the words “Director-General for Value Added Tax”; and

(b) in PART II, in paragraph (a), by adding the following -

The Value Added Tax Act 1998

6  
7

#### **75. Repeal and savings**

(1) The following enactments are repealed —

(a) The Sales Tax Act 1982;

(b) The Sales Tax Regulations 1982; and

(c) The Sales Tax (Exemptions) Regulations 1983.

(2) Notwithstanding subsection (1), the enactments specified in that subsection shall be deemed to be still in force in relation to any matter arising under those enactments in respect of any period prior to the appointed day.

#### **76. Commencement**

(1) Subject to subsection (2), this Act shall come into force on 1 July 1998.

(2) Sections 9, 22, 74(3), 74(4)(a) and (c), 74(7)(u) and 75 shall come into force on the appointed day – 7<sup>th</sup> September 1998

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**FIRST SCHEDULE**  
(sections 2, 9, 10, 49, 51, 52 and 53)

**Goods or services exempted**

1. Deleted by [\[Act No. 26 of 2013\]](#)
2. Wheat cereal flours (excluding wheat flour)  
**Amended by [\[GN No. 160 of 1998\]](#); [\[GN No. 97 of 1999\]](#)**
3. Bread  
**Amended by [\[Act No. 14 of 2005\]](#); [\[Act No. 15 of 2006\]](#)**
4. Animal or vegetable fats and oils (other than ghee produced in Mauritius and edible oils).  
**Amended by [\[GN No. 160 of 1998\]](#); [\[GN No. 97 of 1999\]](#)  
[\[GN No. 113 of 2000\]](#)**
5. Deleted by [\[Act No. 26 of 2013\]](#)  
**Amended by [\[GN No. 97 of 1999\]](#)**
6. Deleted by [\[Act No. 26 of 2013\]](#)  
**Amended by [\[GN No. 160 of 1998\]](#); [\[GN No. 97 of 1999\]](#)**
7. Food of a kind used for human consumption -
  - (a) Deleted by [\[Act No. 26 of 2013\]](#)  
**Amended by [\[GN No. 160 of 1998\]](#); [\[GN No. 97 of 1999\]](#); [\[GN No. 113 of 2000\]](#); [G.N. No. 12 of 2003]; [\[GN No. 37 of 2003\]](#); [\[GN No. 89 of 2004\]](#); [\[GN No. 177 of 2007\]](#)**
    - (b) Deleted by [\[Act No. 26 of 2013\]](#)  
**Amended by [\[GN No. 97 of 1999\]](#); [\[GN No. 177 of 2007\]](#)**
    - (c) primary agricultural and horticultural produce (including tomatoes, potatoes, onions and other vegetables, fruits, coffee, cocoa beans and nuts but excluding tea, honey and spices) which have not been process except for reaping, threshing, husking, crushing, winnowing, trimming, drying and packaging to put them into marketable condition and birds' eggs in the shell; and  
**Amended by [\[GN No. 97 of 1999\]](#); [\[GN No. 177 of 2007\]](#)**
    - (d) Deleted by [\[Act No. 26 of 2013\]](#)  
**Added by [\[GN No. 160 of 1998\]](#); [\[GN No. 97 of 1999\]](#)**

8. Food preparations for infant use put up for retail sale, of H.S. Code No. 1901.10.

**Amended by [\[GN No. 203 of 2012\]](#)**

9. Common salt other than common salt produced in Mauritius.

**Amended by [\[GN No. 113 of 2000\]](#)**

10. Live animals of a kind generally used as, or yielding or producing food for human consumption other than live poultry.

**Amended by [\[GN No. 97 of 1999\]](#)**

11. Unprocessed agricultural and horticultural.

**Amended by [\[GN No. 97 of 1999\]](#); [\[Act No.18 of 2003\]](#); [\[GN No. 177 of 2007\]](#)**

12. Medical, hospital and dental services including clinical laboratory services, services provided in a health institution, veterinary services and a residential care home registered with the Ministry responsible for the subject of social security.

**Amended by [\[Act No. 10 of 2010\]](#); [\[Act No. 37 of 2011\]](#); [\[Act No. 26 of 2012\]](#)**

**13. Repealed by [\[Act No. 18 of 2008\]](#)**

**Added by [\[GN No. 160 of 1998\]](#); [\[GN No. 177 of 2007\]](#)**

**14. Repealed by [\[Act No. 18 of 2008\]](#)**

**Added by [\[GN No. 160 of 1998\]](#); Amended by [\[GN No.89 of 2004\]](#); [\[GN No. 177 of 2007\]](#)**

15. Invalid carriages of heading No. 87.13; orthopaedic or other appliances or articles of heading No. 90.21.

16. Educational and training services provided by institutions registered with the Mauritius Qualification Authority.

**Amended by [\[Act No. 18 of 2008\]](#)**

17. Journals and periodicals of heading No. 49.02

**Amended by [\[GN No. 160 of 1998\]](#); [\[GN No. 97 of 1999\]](#)**

18. **Amended by [\[GN No. 160 of 1998\]](#); Deleted by [\[GN No. 97 of 1999\]](#)**

19. **Amended by [\[GN No. 160 of 1998\]](#); Deleted by [\[GN No. 97 of 1999\]](#)**



20. Goods re-imported in respect of which no refund under this Act was made on exportation under item Nos. E1 and E2.
21. Goods imported under the transshipment procedure laid down in the Customs Act 1988 under item No. E4.
22. Articles re-imported after repairs on proof that they were sent from Mauritius provided that they shall be charged with VAT on the value of the repairs and the customs duty and excise duty chargeable thereon under item No. E6.
23. Bona fide baggage of a passenger under item No. E8.
24. Household and personal effects of a passenger under item No. E9.
25. Goods imported in the baggage of a passenger under item No. E10.
26. Goods (excluding merchandise for sale, tobacco in any form, wines, spirits, arms and ammunition) imported by post of a value for duty purposes not exceeding 2000 rupees under item No. E11.
- 26A. Sharlon shade, greenhouse, shade screens, fertigation pumps, irrigation pumps, drip irrigation and automatic irrigation controllers imported by persons for use in agriculture under item No. E12.

**Added by [\[Act No. 18 of 2003\]](#)**

27. The transport of passengers by public service vehicles excluding contract buses for the transport of tourists and contract cars.
28. **Amended by [\[GN No. 160 of 1998\]](#); Deleted by [\[Act No. 33 of 2000\]](#)**
29. **Amended by [\[GN No. 160 of 1998\]](#); Deleted by [\[Act No. 33 of 2000\]](#)**
30. (a) Charges under a hire purchase agreement or under a finance lease agreement; and  
(b) Postal services and services provided by a person holding a Postal Service Licence under the Postal Services Act 2002 in connection with payment of pension and utility bills.

**Amended by [\[GN No. 97 of 1999\]](#); [\[Act No. 28 of 2004\]](#)**

31. Vegetable seeds, fruit and flower seeds, bulbs and plants, used for sowing or planting.
32. **Amended by [\[GN No. 160 of 1998\]](#); Deleted by [\[GN No. 97 of 1999\]](#)**

33. Molasses when supplied, either for consideration or otherwise, to planters and bagasse.  
**Amended by [GN No. 160 of 1998]**
34. Herbicides
35. **Amended by [GN No. 160 of 1998]; Deleted by [Act No. 33 of 2000]**
36. (a) The renting of fixed telephone lines.
- (b) Charges in respect of internet services provided by an internet service provider, of an amount of up to 100 rupees per billing period.
- Amended by [GN No. 160 of 1998]; [GN No. 40 of 2004]**
37. **Amended by [GN No. 160 of 1998]; Deleted by [GN No. 97 of 1999]**
38. Aircraft leasing.
39. Aircrafts of heading No 88.02.  
**Amended by [GN No. 160 of 1998]; [GN No. 113 of 2000]**
40. Ships for the transport of persons or goods or both persons goods falling under heading No. 89.01.
41. Fishing vessels, factory ships and other vessels for processing or preserving fishery products of heading No. 89.02.
42. Works of art, collectors' pieces and antiques of heading Nos. 97 to 97.06.
43. Cargo handling services in respect of goods so transported by sea or air -
- (a) from or to Mauritius
- (b) from or to the Island of Rodrigues;
- (c) from or to the Outer Islands; or
- (c) from a place outside Mauritius to another place outside Mauritius.
- Amended by [GN No. 160 of 1998]; [GN No. 97 of 1999]; [Act No. 18 of 2003]**
44. **Deleted by [Act No. 14 of 2005]**
45. Entrance fees to any event in respect of any sport discipline specified in the Physical Education and Sport (Designation of Sport Disciplines) Regulations 1986.

46. The renting of, or other grant of the right to use, accommodation in a building used predominately as a place of residence of any person and his family, if the period of accommodation for a continuous term exceeds 90 days.
47. Subject to item 48, the grant, assignment or surrender of any interest in or right over land or of any licence to occupy land.

**Amended by [\[Act No. 14 of 2005\]](#); [\[GN No. 134 of 2006\]](#)**

48. The sale or transfer of an immovable property, a building or part of a building, apartment, flat or tenement -
  - (a) for residential purposes;
  - (b) for any other purposes except land with any building, building or part of a building, apartment, flat or tenement together with any interest in or right over land, sold or transferred by a VAT registered property developer to a VAT registered person.

**Amended by [\[GN No. 97 of 1999\]](#); [\[Act No. 14 of 2005\]](#); [\[Act No. 15 of 2006\]](#); [\[GN No. 134 of 2006\]](#)**

49. Burial and cremation services and coffins.
50. The following financial services -
  - (a) banking services (other than services supplied by a bank holding a banking licence under the Banking Act 2004 in respect of its banking transactions with non-residents and corporations holding a Global Business Licence under the Financial Services Development Act 2001)

**Amended by [\[GN No. 160 of 1998\]](#); [\[Act No. 13 of 2001\]](#); [\[Act No. 20 of 2002\]](#); [\[Act No. 14 of 2005\]](#)**

including -

- (i) services provided by the Bank of Mauritius; and
- (ii) the issue, transfer or receipt of, or any dealing with, money, any security for money or any note or order for the payment of money the provision of prescribed Islamic financing arrangement as

defined under the Banking Act 2004 and the operation of any current, deposit or savings account, but except -

**Amended by [\[Act No. 18 of 2008\]](#)**

- (A) services provided to merchants accepting a credit card or debit card as payment for the supply of goods or services (merchant's discount);
- (B) services in respect of safe deposit lockers, issue and renewal of credit cards and debit cards; and
- (C) services for keeping and maintaining customers' accounts (other than transactions involving the primary dealer system);

**Amended by [\[GN No. 160 of 1998\]](#); [\[Act No. 14 of 2005\]](#)**

- (b) services provided by foreign exchange dealers and money changers;
- (c) the issue, transfer or receipt of, or dealing with any stocks, bonds, shares, debentures and other securities, including the underwriting and the settlement and clearing of such securities;
- 8 (d) the issue or transfer of ownership of a unit under any unit trust;
- (e) the management of investment funds and of pension funds;
- (f) the arrangement, provision, or transfer of ownership, of any contract of insurance or re-insurance under the Insurance Act.

**Amended by [\[Act No. 20 of 2002\]](#); [\[Act No. 18 of 2003\]](#); [\[Act No. 37 of 2011\]](#)**

- (fa) the making of loans between entities within the same group; and
- Added by [\[Act No. 20 of 2002\]](#)**
- (g) such other financial services as may be prescribed.

- 51. Semi-low floor buses of H.S. Codes 8702.1021 and 8702.9021 and chassis for semi-low floor buses of H.S. Codes 8407.3411, 8408.2011 and 8706.0012 operated under a road service licence and used for the transport of the general public.

**Amended by [\[Act No. 14 of 2005\]](#); [\[Act No. 26 of 2013\]](#)**

- 52. (a) Gold compounds of H. S. Code 2843.30

- (b) Gold, unwrought or in semi-manufactured forms, or in powder form, or waste and scrap of heading 71.08
- (c) Chains and similar articles produced in continuous length exceeding 200 centimetres, clasps and parts of silver suitable for use in the manufacture of jewellery of H.S. Code 7113.111
- (d) Chains and similar articles produced in continuous length exceeding 200 centimetres, clasps and parts of other precious metal suitable for use in the manufacture of jewellery of heading 7113.191
- (e) Minted gold bars imported, purchased or offered for sale by the Bank of Mauritius.

**Amended by [\[GN No. 161 of 2005\]](#); [\[GN No. 212 of 2006\]](#); [\[GN No. 202 of 2012\]](#)**

- 53.** Blood glucose strip of H.S. Code 3822.001
- 54.** Lancets of heading 90.18 and glucometer of H.S. Code 9027.801
- 55.** Equipment for medical, surgical and dental uses, of heading 90.18 and of H.S. Codes 3701.10, 3702.10, 8419.20, 9006.301, 9019.105, 9019.20, 9022.12, 9022.13, 9022.14, 9022.21, 9022.30, 9022.901, 9022.902, 9022.909, 9027.801, 9402.101, 9405.103 and 9405.403
- 55A** Equipment for medical, surgical and dental uses, of heading 94.03 and of H.S. Codes 8414.60, 8414.80, 8419.89 and 9011.80, when imported for use in a health institution  
**Added by [\[GN No. 60 of 2007\]](#)**
- 56.** Cotton of headings 52.01, 52.02 and 52.03
- 57.** Pearls, diamonds, stones, silver and platinum including waste and scrap, of

headings 71.01, 71.02, 71.03, 71.05, 71.06, 71.10 and 71.12 and of H.S. Codes 7104.20 and 7104.90

58. Machinery and equipment, of headings 84.44 to 84.49 and 84.51 and of H.S. Codes 8452.21, 8452.29, 8452.40 and 8452.90

59. Emery, natural corundum, natural garnet and other natural abrasives of H.S. Code 2513.20

**Added by [\[GN No. 134 of 2006\]](#)**

60. Preparations for the treatment of textile materials, leather, furskins or other materials of H.S. Codes 3403.11 and 3403.91

**Added by [\[GN No. 134 of 2006\]](#)**

61. Printed circuits of heading 85.34 and electronic integrated circuits and micro-assemblies of heading 85.42

**Added by [\[GN No. 134 of 2006\]](#)**

62. Pigs', hogs' or boars' bristles and hair; badger hair and other brush making hair; and waste of such bristles or hair of heading 05.02

**Added by [\[GN No. 149 of 2006\]](#)**

63. Machinery of H.S. Codes 8422.20 to 8422.40

**Added by [\[GN No. 149 of 2006\]](#)**

64. Watch movements of heading 91.08 and H.S. Codes 9110.11 to 9110.19 and watch or clock parts of heading 91.14.

**Added by [\[GN No. 149 of 2006\]](#)**

65. Construction of a building or part of a building, flat or tenement (excluding repairs or renovation), to be used for residential purposes, provided that -

(a) the contract in respect thereof has been entered into; or

(b) the letter of intent relating to an Integrated Resort Scheme prescribed under the Investment Promotion Act has been issued, prior to 1 October 2006.

66. Anti-smoking chewing gum and anti-smoking patches.

67. Life jackets of H.S. Codes 3926.201, 4015.901 and 6307.20.
68. Parts of footwear of H.S. Code 64.06.
69. Buckles and shoe lasts.
70. Shoe welt.
71. Colostomy bags and disposable urinary bags.
72. Entrance fees to cinemas, concerts and shows.
73. Cinematographic films, including royalties.
74. Bio-Pesticides
75. Cocopeat and substrate used as a growing medium for plants, of H.S. Codes 1404.901, 2703.001 and 6806.101;
76. Plates, sheets and strip of cellular or non-cellular rubber of H.S. Codes 4008.11 and 4008.21

For the purposes of this Schedule —

- (a) the heading Nos. refer to the heading numbers of Part I of the First Schedule to the Customs Tariff Act;
- (b) the item Nos. refer to the item Nos. of Part II of the First Schedule to the Customs Tariff Act;
- (c) **Deleted by [\[Act No. 26 of 2013\]](#)**

**Amended by [\[GN No. 12 of 2003\]](#); [\[GN No. 89 of 2004\]](#)**

- (d) “health institution” in items 12 and 55A has the same meaning as in the Private Health Institutions Act 1989;  
**Amended by [\[GN No. 60 of 2007\]](#)**
- (e) “public service vehicles” in item 27 has the same meaning as in the Road Traffic Act;
- (f) “contract cars” in item 27 has the meaning assigned to it by section 75 of the Road Traffic Act;
- (g) “Outer Islands” in item 43 has the same meaning as in the Outer Islands Development Corporation Act 1982;

(h)“land” in item 47 means any vacant land or any land or part thereof with any building, flat or tenement thereon.

(i) “services” in item 50(f) in relation to -

- (i) an insurance agent, shall not include services in respect of contracts of life insurance entered into prior to 10 January 2003; or
- (ii) an insurance broker or insurance salesman, shall not include services in respect of contracts of life insurance entered into prior to 1 October 2003.

Added by [\[Act No. 18 of 2003\]](#)

(j) Deleted by [\[Act No. 26 of 2013\]](#)

Amended by [\[GN No. 160 of 1998\]](#); [\[GN No. 113 of 2000\]](#); [\[Act No. 97 of 1999\]](#); [\[Act No. 33 of 2000\]](#); [\[Act No. 13 of 2001\]](#); [\[Act No. 20 of 2002\]](#); [\[GN No. 12 of 2003\]](#); [\[Act No. 18 of 2003\]](#); [\[GN No. 167 of 2004\]](#); [\[Act No. 14 of 2005\]](#); [\[GN No. 161 of 2005\]](#); [\[GN No. 15 of 2006\]](#); [\[GN No. 134 of 2006\]](#); Added by [\[GN No. 149 of 2006\]](#) [\[GN No. 212 of 2006\]](#); [\[Act No. 37 of 2011\]](#); [\[GN No. 203 of 2012\]](#); [\[Act No. 26 of 2012\]](#); [\[Act No. 26 of 2013\]](#)

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**SECOND SCHEDULE**  
*(sections 2 and 25)*

Amount of annual turnover    ...    ...    ...    10 million rupees

Amended by [\[Act No. 15 of 2006\]](#)

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**THIRD SCHEDULE**  
*(section 4)*

**MATTERS TO BE TREATED AS SUPPLY OF GOODS OR SERVICES**

1. The sale, transfer or disposal of a business is a supply of goods.
2. The grant, assignment or surrender of any interest in or right over land or of any licence to occupy land is a supply of goods.
3. The transfer of an undivided share in movable or immovable property is a supply



of services.

4. Any transfer of the whole property in goods is a supply of goods; but the transfer  
—
  - (a) of any undivided share of the property; or
  - (b) of the possession of goods,is a supply of services.
5. Goods produced by applying to another person's goods a treatment or process is a supply of goods.
6. Where the possession of goods is transferred -
  - (a) under an agreement for the sale of the goods; or
  - (b) under an agreement which expressly contemplates that the property also will pass at some time in the future (determined by, or ascertainable from, the agreement but in any case not later than when the goods are fully paid for),it is then in either case a supply of the goods.
7. Where by or under the direction of a person carrying on a business, goods held or used for the purposes of the business are put to any private use or are used, or made available to any person for use, for any purpose other than a purpose of the business, whether or not for a consideration that is a supply of goods.
8. Any goods given as donation, any goods put to private use or any gift of goods made for any purpose other than for business is a supply of goods.
9. The supply of any form of power (including electricity), gas, water, heat, refrigeration, air-conditioning or ventilation is a supply of goods.
10. The development, sale or transfer of computer software is a supply of services.
11. The leasing of, or other grant of the right to use, goods is a supply of services.
12. The sale, transfer, assignment, or licensing of patents, copyrights, trademarks, software, and other proprietary information is a supply of services.

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**FOURTH SCHEDULE**  
**(section 10)**

Rate of VAT                    ...                    ...                    ...                    15 per cent

**Amended by [\[Act No. 23 of 2001\]](#); [\[Act No. 20 of 2002\]](#)**

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**FIFTH SCHEDULE**  
**(Section 11)**

1. Goods exported from Mauritius under Customs control

**Amended by [\[Act No. 17 of 2007\]](#)**

2. The following goods -

(a) rice, wheat flour and wheat bran;

**Amended by [\[Act No. 14 of 2005\]](#); [\[Act No. 15 of 2006\]](#)**

(b) edible oils;

(c) margarine and butter;

(d) milk and cream, buttermilk, whey, kephir and other fermented or acidified milk and cream; cheese and curd;

(e) sugar, and sugar cane; **Amended by [\[Act No. 10 of 2010\]](#)**

(f) live poultry, meat of poultry, edible offal of poultry and birds' eggs in the shell;

(fa) edible meat and edible meat offal, fresh, chilled or frozen;

(fb) soya bean cakes or chunks;

(fc) meat-free vegetable burgers and vegetable sausages of HS code 2106.904;

(fd) tea;

(fe) honey;

(ff) spices;

(g) fertilizers;

(h) animal feeding stuffs other than prepared pet foods;

(i) printed books, booklets, brochures, pamphlets, leaflets and similar printed matter (except directories and reports) of heading No 49.01 atlases of H.S. Code 4905.911;

**Added by [\[Act No. 18 of 2003\]](#)**

(j) children's picture, drawing or colouring books of heading No 49.03;

(k) music, printed or in manuscript, whether or not bound or illustrated of heading No 49.04;

**(l)- (m) Deleted by [\[Act No. 17 of 2007\]](#)**

- (n) common salt produced in Mauritius;
- (o) fish;
- (p) ghee produced in Mauritius;
- (q) Kerosene including kerosene jet type fuel.

**Amended by [\[Act No. 18 of 1999\]](#); [\[Act No. 25 of 2000\]](#); [\[Act No. 18 of 2003\]](#); [\[Act No. 14 of 2005\]](#); [\[Act No. 15 of 2006\]](#); [\[Act No. 26 of 2013\]](#)**

3. The transport of passengers and goods by sea or air -

- (a) from or to Mauritius;
- (b) from or to the Island of Rodrigues;
- (c) from or to the Outer Islands; or
- (d) from a place outside Mauritius to another place outside Mauritius.

**Amended by [\[Act No. 18 of 2003\]](#)**

4. (a) A supply of goods made by an operator of a duty free shop situated at the port or airport.

(b) A supply of goods made by an operator of a duty free shop situated at a place other than the port or airport, provided that the goods are delivered, under Customs control, to the visitor at the port or airport.

**Amended by [\[Act No. 15 of 2006\]](#)**

5. The supply of any goods or services, other than those specified in the First Schedule and in section 21(2) provided that the goods and services so supplied are meant wholly and exclusively for the freeport activities of the licensee whose business premises are located in a Freeport zone.

**Amended by [\[Act No. 23 of 2001\]](#); [\[Act No. 14 of 2005\]](#)**

6. (a) The supply of services to a person who belongs in a country other than Mauritius and who is outside Mauritius at the time the services are performed.

(b) The supply of services -

(i) by a holder of a management licence under the Financial Services Development Act 2001 to corporations holding a Category 1 Global Business Licence or a Category 2 Global Business Licence; or

**Amended by [\[Act No. 14 of 2005\]](#)**

(ii) by a bank holding a banking licence under the Banking Act 2004 in respect of its banking transactions with non-residents and corporations holding a Global Business Licence under the Financial Services Development Act 2001.

**Amended by [\[Act No. 13 of 2001\]](#); [\[Act No. 20 of 2002\]](#); [\[Act No. 14 of 2005\]](#)**

(c) For the purposes of paragraph (a), a person belongs in a country other than Mauritius if that person —

<sup>9</sup>

- (i) has no permanent establishment in Mauritius for the carrying on of his business; or
  - (ii) has his place of abode outside Mauritius.
7. (a) Electricity supplied by the Central Electricity Board and the renting out of a meter, the reconnecting of electricity supply and the carrying out of infrastructure works, by the Board;
- (aa) Photovoltaic panels.
  - (b) Water supplied by the Central Water Authority and the renting out of a meter and the carrying out of infrastructure works, by the Authority;
  - (c) Water for irrigation.

**Added by [\[Act No. 33 of 2000\]](#)**

8. Goods and services supplied by the Wastewater Management Authority established under Wastewater Management Authority Act 2000.

**Added by [\[Act No. 35 of 2001\]](#)**

9. Aeronautical services provided within an area at the airport, approved by the Director of Civil Aviation in respect of renting of spaces, hangarage and handling of aircrafts by an operator holding an investment certificate under the Investment Promotion Act.

**Added by [\[Act No. 14 of 2005\]](#)**

10. Dyes, products and preparations, of heading 38.09 and of H.S. Codes 3204.11 to 3204.17, 3204.19 and 3212.901
11. Raw hides and skins and leather of headings 41.01 to 41.15
12. Silk, silk yarn and woven fabrics of silk, of headings 50.02 to 50.07
13. Wool and other animal hair, yarn and woven fabrics made of wool or other animal

- hair, of headings 51.01 to 51.13
14. Cotton sewing thread, yarn and woven fabrics of cotton, of headings 52.04 to 52.12
  15. Vegetable fibres, yarn and woven fabrics of vegetable fibres, of headings 53.01 to 53.11
  16. Sewing thread, yarn, fabrics of synthetic, artificial or man-made filaments, of headings 54.01 to 54.08
  17. Yarn and fabrics of synthetic, artificial or man-made staple fibres, of headings 55.01 to 55.16
  18. Wadding and nonwovens, of heading 56.03 and of H.S. Codes 5601.211, 5601.221, and 5601.291
  19. Rubber thread and cord, yarn and strip and the like, of headings 56.04, 56.05 and 56.06.
  20. Fabrics of headings 58.01 to 58.04, 58.06, 58.09, 59.03, 59.06, 60.01 to 60.06 and of H.S. Code 5907.001
  21. Labels, embroidery in the piece and the like, of headings 58.07, 58.08, 58.10 and 58.11 and of H.S. Code 6307.902
  22. Buttons, press-fasteners, snap-fasteners and press studs, button moulds and other parts of these articles; button blanks, of heading 96.06
  23. Slide fasteners and parts thereof, of heading 96.07
  24. Dyeing services
  25. Soluble chemicals being potassium nitrate of H.S Code 2834.21, mono potassium phosphate of H.S Code of 2835.24 and magnesium sulphate of H.S Code 2833.21.

26. Antibiotics of heading No. 29.41.
27. Pharmaceutical products of heading Nos. 30.01 to 30.06.
28. Construction of semi-industrial fishing vessels during the period from 1 January to 31 December 2012.

“For the purposes of items 2(f), (fa) and (o) of this Schedule, “fish”, “meat of poultry” and “edible offal of poultry” -

- (a) include food preparations containing more than 20% by weight of fish, sausage, meat (including meat of poultry) and an edible offal (including offal of poultry);, or any combination thereof; but
- (b) exclude caviar and caviar substitutes of heading 16.04 and stuffed products of heading 19.02 or the preparations of heading No. 21.03 or 21.04.

Amended by [\[Act No. 18 of 1999\]](#); [\[Act No. 25 of 2000\]](#); [\[Act No. 33 of 2000\]](#); [\[Act No. 13 of 2001\]](#); [\[Act No. 35 of 2001\]](#); [\[Act No. 20 of 2002\]](#); [\[Act No. 18 of 2003\]](#); [\[Act No. 14 of 2005\]](#); [\[Act No. 15 of 2006\]](#); [\[Act No. 17 of 2007\]](#); [\[Act No. 18 of 2008\]](#); [\[Act No. 37 of 2011\]](#); [\[Act No. 26 of 2013\]](#)

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**SIXTH SCHEDULE**  
**(section 15)**

Annual turnover of taxable supplies

**4 million rupees**

Amended by [\[Act No. 15 of 2006\]](#); [\[Act No. 26 of 2012\]](#)

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**SEVENTH SCHEDULE**

*(sections 5, 9 and 12)*

**PART I**

1. Liquified petroleum gas
2. Bars of iron or steel
3. Portland cement

**PART II**

1. Motor spirit and gas oils
2. Cigarettes containing tobacco
3. Mineral waters, aerated waters and soft drinks
4. Alcoholic drinks

**Amended by [\[Act No. 18 of 1999\]](#); [\[Act No. 20 of 2002\]](#); [\[Act No. 26 of 2013\]](#)**

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**EIGHTH SCHEDULE**

*(Section 24)*

**Repealed by [\[Act No. 18 of 1999\]](#)**

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**NINTH SCHEDULE**  
(section 66)

Column 1	Column 2
1. Disabled persons and the blind.	Appliances and identifiable spare parts (including cells for hearing aids but excluding such articles as spectacles, lenses and contact lenses); spare parts of invalid carriages; reading matter and articles specially designed for the blind.
2. Benevolent and charitable institutions affiliated with the Mauritius Council of Social Services or receiving a subsidy from Government.	Goods received as donations from abroad and related to their normal activities, not intended for sale.
3. Any religious body approved by the Director -General  <b>Amended by <a href="#">[Act No. 15 of 2006]</a></b>	Goods (not being articles or materials intended either for the construction, repair or furnishing of buildings used for public worship or for the manufacture of things to be used in connection with public worship) for actual use in connection with public worship.
4. The International Federation of Red Cross and Red Crescent Societies, the Mauritius Red Cross Society, St John's Ambulance (Mauritius), Mauritius Scouts Association, Mauritius Girl Guides Association and any other society, association or organisation approved by the Director General. <b>Amended by <a href="#">[Act No. 15 of 2006]</a></b>	Articles directly related to their normal activities, not intended for sale.
5. Any person.	Any goods not exceeding 1,000 rupees in customs value imported in a single package where the Comptroller is satisfied that the package is not part of a larger consignment.
6. Airlines	(1) Instructional material and training aids for use in connection with the technical training of ground and flight personnel in Mauritius;  (2) Repairs, maintenance and servicing equipment for the purpose of establishing and maintaining international or national service operated by that airline;



	<p>When certified by the Director of Civil Aviation that the goods are to be used for the purposes mentioned in paragraphs (1) and (2);</p> <p>(3)Fuel and lubricants and other consumable technical supplies contained in the tanks or other receptacles on any aircraft arriving in Mauritius, provided that no quantity of such fuel, lubricants or other consumable technical supplies is unloaded without paying tax except temporarily and under customs control; and fuel, lubricants and other consumable technical supplies taken on board the aircraft for consumption during flight.</p>
7. A non-citizen serving in Mauritius under a Bilateral or Multilateral Agreement with the Government of Mauritius	Any goods imported or purchased ex-bond as may be approved by the Minister.
8. Deleted by <a href="#">[Act No. 15 of 2006]</a>	
9. Diplomatic missions and agents	<p>(a) Rent, telephone and other services <b>Amended by [Act No. 33 do 2000]</b></p> <p>(b)Goods purchased from a registered person on presentation of a VAT Exemption Card issued jointly by the Director-General and the Secretary for Foreign Affairs, subject to the conditions specified in the VAT Exemption Card <b>Added by [Act No. 37 of 2011]</b></p>
10. Any company engaged wholly and exclusively in -  (a) the provision of e-commerce services to persons residing outside Mauritius; or  (b) the registration and processing in Mauritius of bets	Services provided by banks and companies other than banks in respect of a credit card or debit card accepted by the company as payments for the supply of services it provides

<p>placed on overseas sporting events by persons residing outside Mauritius</p> <p><b>Added by <a href="#">[Act No. 18 of 2003]</a>;</b>  <b>Amended by <a href="#">[Act No. 28 of 2004]</a></b></p>	
<p>11. Any person approved by the Tertiary Education Commission established under the Tertiary Education Commission Act, as a person engaged in the provision of tertiary education.</p> <p><b>Added by <a href="#">[Act No. 14 of 2005]</a></b></p>	<p>Construction of a purpose-built building for the provision of tertiary education, as may be approved by the Tertiary Education Commission.</p>
<p>12. Any holder of a road service licence for the transport of the general public by bus.</p> <p><b>Added by <a href="#">[Act No. 14 of 2005]</a></b></p> <p>13. Any company registered with the Board of Investment established under the Investment Promotion Act, as a company engaged in the provision of health services.</p> <p>14.(a) National Housing Development Company Ltd</p> <p>(b) Housing development trust, or other non-profit vehicle, carrying on the construction of social housing, registered with the committee set up under section 50L(3) of the Income Tax Act</p> <p><b>Amended by <a href="#">[Act No. 15 of 2006]</a>;</b>  <b><a href="#">[Act No. 37 of 2011]</a>; <a href="#">[Act No. 26 of 2012]</a></b></p>	<p>Bus bodies built during the period up to 31 August 2007 on imported bus chassis.</p> <p>Construction of a purpose-built building for the provision of health services</p> <p>Construction of Social Housing and any improvement or repairs of a capital nature in relation thereto</p> <p>Construction of social housing</p>

**Amended by [\[Act No. 18 of 1999\]](#); [\[Act No. 33 of 2000\]](#); [\[Act No. 28 of 2004\]](#)**

Amended by [\[Act No. 18 of 2003\]](#); [\[Act No. 14 of 2005\]](#); [\[Act No. 15 of 2006\]](#); [\[Act No. 26 of 2012\]](#); [\[Act No. 26 of 2013\]](#)

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**TENTH SCHEDULE**  
(sections 15, 19 & 20)

PART I

Business or profession of -

1. Accountant and or auditor
2. Advertising agent
3. Adviser including investment adviser and tax adviser
4. Architect – **Amended by [\[Act No. 15 of 2006\]](#)**
5. Attorney and or solicitor
6. Barrister having more than 2 years standing at the Bar
7. Clearing and forwarding agent under the Customs Act
8. Consultant including legal consultant, tax consultant, management consultant and management company other than a holder of a management licence under the Financial Services Development Act 2001
9. Customs house broker under the Customs Act
10. Engineer
11. Estate agent
12. Land surveyor
13. Marine surveyor
14. Motor surveyor
15. Notary
16. Optician
17. Project manager
18. Property valuer
19. Quantity surveyor
20. Sworn auctioneer
21. **Repealed by [\[Act No. 15 of 2006\]](#);**
22. **Repealed by [\[Act No. 15 of 2006\]](#)**
23. General sales agent of airlines.- **Added by [\[Act No. 18 of 2003\]](#)**
24. **Added by [\[Act No. 18 of 2003\]](#); Repealed by [\[Act No. 15 of 2006\]](#)**
25. Dealers registered with the Assay Office under the Jewellery Act.  
**Added by [\[Act No. 15 of 2006\]](#)**

PART II

1. Banking by a company holding a banking licence under the Banking Act 2004 in respect of its banking transactions other than with non-residents

and corporations holding a Global Business Licence under the Financial Services Development Act 2001

**Amended by [\[Act No. 14 of 2005\]](#)**

2. **Amended by [\[Act No. 18 of 2003\]](#); Deleted by [\[Act No. 37 of 2011\]](#)**
3. Management services by a holder of a management licence under the Financial Services Development Act 2001 in respect of services supplied other than those supplied to corporations holding a Category 1 Global Business Licence or a Category 2 Global Business Licence under that Act
4. Services in respect of credit cards issued by companies other than banks to merchants accepting such credit cards as payment for the supply of goods or services

Note: - For the purposes of item 2(a) of Part II, no adjustment or refund shall be allowed In respect of the period prior 1 September 2003

**Added by [\[Act No. 18 of 2003\]](#);**

**Amended by [\[Act No. 20 of 2002\]](#); [\[Act No. 18 of 2003\]](#); [\[Act No. 14 of 2005\]](#)**

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**ELEVENTH SCHEDULE**  
**(sections 53B and 53H)**

Part I – Business

1. Hotel
2. Hotel management
3. Tour operator

Part II – Rate of levy

0.85 per cent

**Added by [\[Act No. 15 of 2006\]](#)**

**PART III – RATE OF LEVY**

Per message 10 cents

**Added by [\[Act No. 37 of 2011\]](#)**

**TWELFTH SCHEDULE**  
[Section 65A and 65C] – Amended by [\[Act No. 26 of 2013\]](#)

**PART I – Equipment applicable to a planter or an horticulturist**

Tractors up to 120 hp, trailers, ploughs, furrowers, tillers, rotovators, blades, buckets, seedlers, harrows and hoes

Manure spreaders and fertiliser distributors

Seeds distributors, seeds trays, sowing machines and transplanters

Harvesting and threshing machinery

Machines for cleaning, sorting or grading seed, grain or dried leguminous vegetables

Machinery for the preparation of fruits, nuts or vegetables

Hand tools including spades, forks, rakes, *sécateurs*

Agricultural and horticultural appliances for spraying liquids or powders

Agricultural plastic crates

Industrial type agro processing equipment

Cooling chamber

Dryers for agricultural products

Forced air dryers for fruits and vegetables

*Fil horticole*

Greenhouse film cover

Heavy-duty high-pressure cleaning equipment (industrial type)

Heavy-duty water pumping equipment (industrial type)

Industrial type chill room or cold room

Plastic mulch

Post-harvest equipment

Refractometer

Spare parts for agricultural machinery and equipment

Straw and fodder bailers

Tyres used for tractors

Weed mats

Weight scales

Amended by [\[Act No. 26 of 2012\]](#); [\[Act No. 26 of 2013\]](#)

## **PART II – Equipment applicable to a pig breeder**

Heavy-duty high-pressure cleaning equipment (industrial type) Heavy-duty  
water pumping equipment (industrial type)

Industrial type chill room or cold room

Amended by [\[Act No. 26 of 2012\]](#)

## **PART III – Equipment applicable to a breeder other than pig breeder**

Milking machines and milk tanks

Dairy machinery

Incubators, chippers and brooders Machines for

grading eggs Drenching guns

Bush cutters

Drinkers, feed trough and battery cages

Debeaking machines, vaccinators

Heavy-duty high-pressure cleaning equipment (industrial type) Heavy-duty

water pumping equipment (industrial type)

Industrial type chill room or cold room

**Amended by [\[Act No. 26 of 2012\]](#)**

#### **PART IV – Equipment applicable to an apiculturist**

Honey extractor

Smoking-out apparatus for bee-keeping

**Amended by [\[Act No. 26 of 2012\]](#)**

#### **PART V – Equipment applicable to a fisherman**

Industrial type chill room or cold room

Outboard and inboard motors of less than 25 hp

VHF telecommunications radio

Equipment used in fishing vessels (off lagoon)

**Amended by [\[Act No. 37 of 2011\]](#); [\[Act No. 26 of 2012\]](#)**

#### **PART VI – EQUIPMENT AND MACHINERY APPLICABLE TO A BAKER**

Dough mixer, dough hopper and pre-portioner, dough divider

Moulding machine, rounding machine, conical rounder machine,  
shaping machine, dough cutting machine

Depositing machine, for depositing on trays (flat and baguette) with retracting belt

Fermentation room

Industrial ovens used in bakery

Flour sifter

Bread slicer

Water dosing machine and water cooler

Metal detector machine

Bakery machine of HS codes 8438.10

Added by [\[Act No. 26 of 2012\]](#)

#### **PART VII – CONDITIONS**

The conditions shall be –

- (a) the applicant or the spouse of the applicant shall be a citizen of Mauritius of 18 years of age or over;
- (b) the construction of a residential building or residential apartment shall be started and completed in the years 2014 to 2016;
- (c) the construction of a residential building or residential apartment shall not be on an existing building;
- (d) the floor area of the residential building or the residential apartment shall not exceed 158.283 square metres (1500 *pieds carré*);
- (e) the cost of the construction of a residential building or the purchase price of a residential apartment shall not exceed 2.5 million rupees;
- (f) the average total monthly net income for income tax purposes of the applicant and that of his spouse shall not, in the aggregate, exceed 50,000 rupees;
- (g) the applicant or his spouse shall be the owner or co-owners of the residential building or residential apartment; and
- (h) any refund of VAT to the applicant and his spouse shall not, in the aggregate, exceed 300,000 rupees.

Added by [\[Act No. 26 of 2013\]](#)



