Value Added Tax Regulations 1998

GN 87/1998

THE VALUE ADDED TAX ACT 1998

Regulations made by the Minister under section 72
of the Value Added Tax Act 1998

1. Short title
   These regulations may be cited as the Value Added Tax Regulations 1998.

2. Interpretation
   In these regulations —

3. Charge to value added tax
   For the purposes of section 9(4)(b) of the Act, the prescribed time shall be 20 days.

Amended by [GN No. 96 of 1999]

4. Registration
   (1) A person who applies for registration under section 15 or 16 of the Act shall produce such documents, and furnish such information in support of his application, as the Commissioner may require.

   (2) A registered person shall declare, electronically or otherwise, the VAT Registration Number allocated to him under section 17 of the Act on every bill of entry submitted by him at Customs.

   (3) Where a registered person —
       (a) changes his name or trading name;
       (b) changes the address of any of his business premises;
       (c) opens any new business premises; or
       (d) changes the nature of his business,

       he shall immediately notify in writing the Commissioner and return to the Commissioner his certificate of registration and all its copies.

   (4) On receipt of a notification under paragraph (3) the Commissioner may, after considering such information he may require, amend the certificate or issue a fresh certificate to the registered person.

   (5) Every registered person shall display in a conspicuous place at each of his
business premises —

(a) his certificate or a photocopy of his certificate; and

(b) a distinctive mark provided by the Commissioner to indicate that the person is registered for VAT.

(6) Where a registered person operates —

(a) at a place other than his usual place of business; or

(b) at a trade fair,

he shall give at least 7 days’ prior notice thereof to the Commissioner in writing.

(7) On receipt of a notice under paragraph (6), the Commissioner may require the registered person to furnish such information and to make such arrangements as may be necessary in order to ensure that VAT is properly accounted for.

4A. Cancellation of registration or voluntary registration

(1) Where the annual turnover of taxable supplies of a registered person does not exceed and is not likely to exceed, the amount specified in the Sixth Schedule, he may, subject to paragraph (2) and section 15(2) and (2A) of the Act, apply to the Director-General, in such form and in such manner as may be determined by the Director-General, for cancellation of his registration.

(2) Where a registered person —

(a) makes an application under paragraph (1), the Director-General, on being satisfied that, having regard to all circumstances of the case, it is expedient to do so, may cancel the registration of the registered person with effect from such date as the Director-General may determine and give notice thereof to the person;

(b) does not make an application under paragraph (1), he shall be deemed to be registered under section 16 of the Act.

(3) Where the registration of a registered person is cancelled under paragraph (2)(a), the provisions of section 18(2) of the Act shall apply to the
(4) Where the annual turnover of taxable supplies of a registered person under section 16 of the Act exceeds the amount specified in the Sixth Schedule, he shall be deemed to be registered under section 15 of the Act.

Added by [GN No. 95 of 2013]

5. Receipt

A person, other than a registered person, who issues a receipt under section 19 of the Act shall specify in the receipt —

(a) his name, business address, and his business registration number;

(b) its serial number and date of issue;

(c) the quantity and description of the goods or the description of the services; and

(d) the value of the supply.

Amended by [GN No. 95 of 2013]

6. Record

(1) A person who imports goods or to whom a supply of goods or services is made shall keep a record, on computer or otherwise, in respect of those goods or services showing —

(a) the bill of entry number and date;

(b) the date on which the goods or services are supplied;

(c) the date and reference number of the receipt or invoice or VAT invoice:

(d) description of the goods or services;

(e) in the case of goods imported, the value for VAT purposes and the amount of VAT;
(f) in the case of goods or services supplied to him, the value of the supply and the amount of VAT where it is evidenced by a VAT invoice; and

(g) particulars of debit notes received.

(2) A person who exports goods or supplies goods or services shall keep a record, on computer or otherwise, in respect of those goods or services showing —

(a) the bill of entry number and date;

(b) the date on which the goods or services are supplied;

(c) the date and reference number of the receipt or invoice or VAT invoice;

(d) description of the goods or services;

(e) in the case of goods exported, the value of the goods;

(f) in the case of goods or services supplied by him, the value of the supply and if he is a registered person, the amount of VAT chargeable; and

(g) particulars of credit notes issued.

Amended by [GN No. 120 of 2003]

7. Record of stocktaking
   A registered person shall, for the purposes of the Act, keep a record, on computer or otherwise, a record of any physical stocktaking of goods made.

8. VAT invoice
   Every VAT invoice, other than a computer-generated VAT invoice, shall indicate the name and address of the printer.

8A. Alternative basis of apportionment of input tax

   (1) Where a registered person claims, having regard to the nature of his business, that the apportionment of input tax in accordance with section 21 (3)(b) of the Act is not fair and reasonable, he may, for the purposes of section 21(3)(d) of the Act, make an application to the Commissioner to use an alternative basis of apportionment of input tax.
An application under subsection (1) shall be in such form as may be approved by the Commissioner and shall include -

(a) the reasons for which the apportionment of input tax in accordance with section 21 (3)(b) of the Act is not fair and reasonable;

(b) the description of the alternative basis of apportionment; and

(c) such other information as may be specified in the form of application.

On receipt of an application under paragraph (1), the Commissioner may require such further information or document as may be necessary for the purposes of considering the alternative basis of apportionment.

Where the Commissioner is satisfied that, in relation to the business of the registered person, an alternative basis of apportionment would give a fair and reasonable apportionment of input tax, he may, by notice in writing, approve such alternative basis on such conditions as are specified in paragraph (5).

An approval under paragraph (4) shall be subject to the following conditions-

(a) the approved alternative basis of apportionment shall take effect as from the beginning of the accounting period of the registered person following the date of the approval;

(b) the registered person shall maintain appropriate records so that the alternative basis of apportionment can be readily verified by the Commissioner;

(c) where changes in the circumstances of the business no longer render the alternative basis fair and reasonable, the registered person shall, not later than one month after the occurrence of these circumstances, notify the Commissioner in writing;

(d) the registered person shall continue to apply the alternative basis of apportionment until such time as the Commissioner otherwise notifies the person in writing.

Added by [GN No. 5 of 2002]; Amended by [GN No. 120 of 2003]
9. Return and payment of tax

(1) For the purposes of section 22(1) of the Act, the prescribed time shall be 20 days.

(2) Every registered person whose annual turnover of taxable supply exceeds the amount specified in the Second Schedule to the Act or who is required to submit electronically an annual return of income under section 116 of the Income Tax Act shall, unless otherwise authorised -

(a) submit his return and make any payment of the tax due electronically through such computer system as may be approved by the Commissioner; and

(b) continue to comply with subparagraph (a) until such time he ceases to be a registered person.

(3) Notwithstanding paragraph (1), where a registered person submits his VAT return and makes any payment of tax electronically in accordance with paragraph (2), the prescribed time shall be one month.

(4) Notwithstanding paragraph (3), the prescribed time for submission of the VAT return and for any payment of tax electronically, in respect of the month of November, shall be 2 days, excluding Saturdays and public holidays, before the end of December.

Amended by [GN No. 96 of 1999]; [GN No. 120 of 2003]; [GN No. 133 of 2006]; [GN No. 178 of 2009]; [GN No. 192 of 2013]

9A. Repayment of tax

(a) Where a registered person submits his return in the manner specified in regulation 9(2) and is entitled to make a claim for a repayment of tax under
section 24 of the Act, he shall make such claim electronically at the time he submits his return.

(b) For the purpose of section 24(4)(aa) of the Act, the repayment of the whole or part of the excess amount may be allowed where the excess amount arises as a result of allowable input tax attributable to —

(i) taxable supplies declared in a return for a previous taxable period;

(ii) taxable supplies made to exempt persons or bodies; or

(iii) taxable goods that are proved to the satisfaction of the Director-General to be obsolete, defective, damaged or unfit for human consumption and are destroyed or re-exported, as the case may be, provided that the excess amount exceeds 100,000 rupees and is unlikely to be set off against subsequent output tax during the following 12 months.

Amended by [GN No. 120 of 2003]; [GN No. 192 of 2013]

10. Proceedings for temporary closing down of business

(1) An application under oath made under section 36(2)(a) of the Act shall be in the form specified in the First Schedule.

(2) An order made under section 36(2)(c) of the Act shall be in the form specified in the Second Schedule.

(3) Upon execution of an order issued under paragraph (2), the usher shall make a return as provided in the form referred to in paragraph (2).

11. Recovery of tax by distress and sale

A warrant issued under section 44 of the Act shall be in the form specified in the Third Schedule.

12. Inscribed privilege

(1) A memorandum deposited under section 45(2) of the Act shall be in the form specified in the Fourth Schedule.

(2) A request under section 45(5) of the Act shall be in the form specified in the Fifth Schedule.

12A. Goods or services supplied to a holder of a freeport licence
Where a VAT registered person supplies goods or services to a person holding a freeport licence, he shall, for the purpose of item 5 of the Fifth Schedule to the Act, comply with such procedures as may be laid down by the Commissioner.

Amended by [GN No. 18 of 2005]

13. Deferred Duty and Tax Scheme

No person shall operate a shop under the Deferred Duty and Tax Scheme under section 22 of the Customs Act unless he registers himself as a registered person with effect from the date he is authorised by the Director-General to operate the shop.

Amended by [GN No. 133 of 2006]

14. VAT free supplies to visitors

(1) In this regulation -

"approved person" means the approved person under regulation 90(14) of the Customs Regulations 1989;

"customs control" has the same meaning as in the Customs Act;

"proper officer" has the same meaning as in the Customs Act.

(2) Subject to this regulation, any VAT registered person may make -

(a) VAT paid supplies of taxable goods to a visitor, the amount of VAT paid being refundable under customs control, to the visitor at the time of his departure from Mauritius; or

(b) supplies of taxable goods free of VAT to a visitor provided that the goods are delivered, under customs control to the visitor at the port or airport.
(3) No supply of taxable goods shall be made under paragraph (2)(b) in the Island of Rodrigues to a visitor unless he leaves Rodrigues on an international flight.

(4) No supply of spirits, wine, cigarettes and other tobacco products shall be made under paragraph (2)(a).

(5) Any refund under paragraph (2)(a) shall be made -

(a) by the approved person to a visitor leaving the Island of Mauritius by air; or

(b) by the Director-General to a visitor leaving the Island of Mauritius by sea or leaving the Island of Rodrigues on an international flight.

(6) Where VAT paid supplies of taxable goods are made to a visitor, the approved person or the Director-General as the case may be, shall refund to the visitor the VAT paid on the goods, after deducting therefrom the administrative charges specified in the Seventh Schedule.

(7) No refund of VAT shall be made by the approved person where the amount otherwise refundable before deduction of administrative charges is less than 300 rupees in the aggregate in respect of purchases made in one shop.

(8) Every VAT registered person and the approved person shall comply with such conditions as may be imposed by the Director-General.

(9) Where taxable goods supplied in accordance with paragraph (2) (b) have remained unclaimed by the visitor for a period
exceeding 8 days from the date of his departure, the approved person shall hand over those goods to the proper officer.

(10) The approved person shall forward, on a monthly basis, to the Director-General, a return of goods received and handed over to visitors and of goods remaining unclaimed which have been handed over to the proper officer.

Amended by [GN No. 18 of 2005]; [GN No. 133 of 2006]; [GN No. 136 of 2012]

15. Refund of tax
Any person who applies for a refund of tax tinder section 65 of the Act shall produce such documents and furnish such information in support of his application as the Commissioner may require.

16. Exempt bodies or persons
For the purposes of section 66 of the Act —

(a) a body or person referred to in that section shall, at the time of importation, give a certificate to Customs that he is exempt from the payment of VAT on the goods he is importing; and

(b) a registered person shall, at the time a supply is made by him to that body or person referred to in that section, obtain from that body or person a written declaration that the body or person is exempt from the payment of VAT on the supply made.

17. Admissibility of documents produced by computer
(1) Where a computer system has been approved by the Commissioner under section 30 of the Act, the conditions to be satisfied for section 69 of the Act to apply shall be as follows —

(a) the statement contained in the document was processed by the computer during a period over which the computer was being used to process and store information;

(b) the computer was operating properly during that period or, if it was not operating properly or was out of operation during that period or part of that period, the processing or storing of the statement contained in the document or the accuracy of its contents was not thereby affected;

(c) information shall be taken to be supplied to a computer where it is supplied thereto in any appropriate form and whether it is so supplied directly, or by means of any appropriate equipment, with or without human intervention, and
(d) the document shall be taken to be produced by a computer whether it was produced by it directly, or by means of any appropriate equipment, with or without human intervention.

(2) In any proceedings, where a document containing a statement is produced by virtue of section 69 of the Act, a certificate —

(a) identifying the document containing the statement and describing the manner in which it was produced;

(b) giving such particulars of any device involved in the production of that document as may be appropriate for the purpose of showing that the document was produced by a computer; and

(c) dealing with any of the matters to which the conditions specified in paragraph (1) (a) and (b) relates,

and purporting to be signed by a person responsible for the operation of the relevant device or the management of the relevant activities, as the case may be, shall be evidence of any matter stated in the certificate.

17A. Rulings

The fee payable under section 69A of the Act for a ruling shall be-

(a) in relation to an individual, an amount of 2,000 rupees; or

(b) in relation to any other person, an amount of 10,000 rupees.

Amended by [GN No. 96 of 1999]; [GN No. 192 of 2013]

18. Transitional provisions relating to a duty free shop outside the port or airport

Any person operating a duty free shop at a place other than the port or airport who -

(a) does not make an election under section 168(2) of the Customs Act; and

(b) intends to sell goods to a visitor on payment of duties and taxes which are refundable at the port or airport at the time of departure
of the visitor, shall, not later than 30 September 2006, register himself as a registered person under the Act.

Added by [GN No. 133 of 2006]

18. Transitional provisions
For the purposes of section 73 of the Act, where a person —

(a) on the day immediately preceding the appointed day, was a registered person under the Sales Tax Act 1982;

(b) on the appointed day, is a registered person under the Act;

(c) whose sales tax return for the last taxable period under the Sales Tax Act 1982 shows an excess amount;

(d) has submitted a certified inventory of his trading stocks showing the amount of sales tax paid or payable thereon,

he may take a credit for the least of—

(i) the excess amount;

(ii) the amount of sales tax paid or payable on his trading stocks in accordance with the inventory submitted; or

(iii) the amount of sales tax paid or payable on his trading stocks within a period not exceeding 3 months immediately preceding the appointed day.

19. Goods or services exempted
The financial services specified in the Sixth Schedule shall be the prescribed financial services for the purposes of item 50(g) of the First Schedule to the Act.

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FIRST SCHEDULE
(regulation 10(1))

VALUE ADDED TAX
(The Value Added Tax Act 1998)

Application under oath
(section 36(2) (a))

To the District Magistrate of

To the District Magistrate of

Commissioner for Value Added Tax, electing my legal domicile in my Office in Port

Louis, do hereby swear/solemnly affirm that —

(a) ......................................................................................... of

........................................................... is registered as a registered person under section .... of the

Value Added Tax Act 1998 with effect from

(a certified copy of the Certificate of Registration issued under

section 17 of the Act to the aforesaid person is attached);

(b) by virtue of section 22 of the Act and regulation 3 of the Value Added Tax

Regulations 1998, the aforenamed registered person is required to submit to me, not

later than 20 days after the end of every taxable period, a return, in respect of

that period, and pay the amount of tax, if any, at the time the return is submitted;

(c) the annual turnover of taxable supplies of the registered person being more/less

than 12 million rupees, the taxable period of the person is, in accordance with

section 2 of the Act, a month/quarter;

(d) the registered person has submitted the return for each of the taxable periods

.............................................................. but has failed to submit

the return for each of the taxable periods

..............................................................

(e) in accordance with section 36(1) of the Act, a notice of intention to close down part

or the whole of the business of the registered person for a temporary period not

exceeding 14 days was sent to the registered person on

..............................................................(a certified copy of the notice is

attached); and

..............................................................
the registered person has failed to comply with the aforesaid notice.

3. I am of the opinion that value added tax ought to have been paid by the registered person in respect of that/those taxable period(s) for which no return has been submitted.

4. In accordance with section 36(2)(a) of the Act, I do hereby apply to you for an order to close down ……………………………………………………………

being part/the whole of the business of the registered person situated at ………………………………………………………………………………………………………

for a period not exceeding 14 days.

Taken before me.

The District Magistrate of ………………………………………………………… on ………………………………………………………… (date)

……………………………………………………………………………………………………

Application granted/not granted

Signature

The District Magistrate of …………………………………………………………

Made in 2 originals this ……………………………………………………………

……………………………………………………………………………………………………

Amended by [GN No. 96 of 1999]

SECOND SCHEDULE
(regulation 10(2))

Order to close down business temporarily
(section 36(2)(c) of the Value Added Tax Act 1998)

To Usher

……………………………………………………………………………………………………

………………

2. Whereas an application under section 36(2)(a) of the Value Added Tax Act 1998 has this day been granted by me for the closing down
RETURN OF EXECUTION OF ORDER

To: The Commissioner for Value Added Tax

In execution of the above order, I certify that I have this day closed down 
………………………………………………………………………………………………………
being part/the whole of the business of
………………………………………………………………………………………………………
of
………………………………………………………………………………………………………
for a period not exceeding 14 days as from this day.

2. I also certify that, in accordance with section 36(3) of the Value Added Tax Act 1998,
I have affixed 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 Commissioner bearing the words “CLOSED TEMPORARILY FOR NOT SUBMITTING VAT RETURN AND NOT PAYING VAT”/ “CLOSED TEMPORARILY FOR NOT PAYING VAT”.

Usher of the ..............................................

Made in 2 originals this ..................................< to ..............................................

THIRD SCHEDULE
(regulation 11)

Office of the
Commissioner for Value Added Tax
Port Louis

Date .................................

VAT Reg. No./ Ref. No  ...................................................

Financial Year ...............................

Taxable period ...............................

DISTRESS WARRANT


To Usher of the Supreme Court  ....................................................

Whereas ........................................................................................................
is indebted to the Commissioner for Value Added Tax in the sum of ..................................................... being tax due and payable by the aforesaid particulars of which are set out in the Annex.

And whereas default has been made in the payment of the aforesaid amount to the Commissioner for Value Added Tax and the aforesaid amount is still due.

These are therefore to authorise and order you forthwith to make distress of the goods, chattels and effects of the said person, and if within the period of 3 clear days next after the making of such distress the amount of the tax due and payable including the charge of taking and keeping the distress is not paid, you shall sell the goods, chattels and effects of the said person up to the amount mentioned in the distress including the costs and that you certify to me on or before the ........ day of .............................. 19........... what you shall have done by virtue of this warrant.

Given under my hand at Port Louis, this day of ......................... 19...........
RETURN OF THE ABOVE WARRANT
In execution of the above warrant, I certify that I have this day seized the goods, chattels and effects of the hereinnamed and have made and signed an inventory of the same hereunto annexed, and have appointed as guardian of the same.

Date ........................ 19................

Usher of the Supreme Court

FOURTH SCHEDULE
(regulation 12(1))

FORM OF MEMORANDUM OF INSCRIPTION
Privilege inscribed under section 45(2) of the Value Added Tax Act 1998
by the Commissioner for Value Added Tax
electing his legal domicile in his Office in Port Louis
against

.......................................................... (names in full)
of ..........................................................(address in full)

.......................................................... (occupation)

and

Mrs ..........................................................
...(first names and maiden names in full)
of .......................................................... (address in full)

his wife, hereinafter called the debtor/s
for the sum of ........................................ rupees (in words)
upon all immovable property belonging to the debtor/s including

………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………

Drawn up in Port Louis on the ……………………………………………………… of
………………………………………………… 19……………

I certify that this memorandum is an exact copy of the other original with which it has been duly collated.

………………………………………………………………………………………………………
Commissioner for Value Added Tax

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FIFTH SCHEDULE

(regulation 12(2))

The Conservator of Mortgages is hereby requested to erase in his registers the privilege inscribed by the Commissioner for Value Added Tax on the ...... of ...... 19... in Vol ... No. ... against:

………………………………………………………………………………………………………
………………………………………………………………………………………………………
………………………………………………………………………………………………………

upon all immovable property which belonged to the latter, including

………………………………………………………………………………………………………

Dated, signed and sealed in Port Louis on the ........ of ......... 19...

………………………………………………………………………………………………………
Commissioner for Value Added Tax

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SIXTH SCHEDULE
(regulation 19)

(a) The making, the advance or the granting of credit except 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.

(b) The granting of, or dealing in, credit guarantees or other securities for money and the management of credit guarantees by the person who granted the credit.

(c) The provision, or transfer of ownership, of an interest in a superannuation scheme, or the management of a superannuation scheme.

(d) Factoring.

Amended by [GN No. 120 of 2003]

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SEVENTH SCHEDULE
[Regulation 14(6)]

<table>
<thead>
<tr>
<th>Administrative charges for every refund</th>
<th>2% of the value of the sales, exclusive of duty, excise duty and taxes, provided that where the calculated amount —</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) does not exceed Rs 100, the administrative charge shall be Rs 100;</td>
</tr>
<tr>
<td></td>
<td>(b) exceeds Rs 100, the administrative charge shall be the calculated amount or Rs 2,000, whichever is the lesser.</td>
</tr>
</tbody>
</table>

Amended by [GN No. 18 of 2005]; [GN No. 133 of 2006]; [GN No. 229 of 2006]; [GN No. 136 of 2012]; [GN No. 192 of 2013]