



MAURITIUS REVENUE AUTHORITY

NOTICE TO LOCAL MANUFACTURERS

Duty Exemptions To The Manufacturing Sector Under Item E70 of Unclassified Exemptions From Customs Duty (Part II of 1ST Schedule to the CTA)

DUTY EXEMPTION UNDER E70:

It is brought to the attention of local enterprises including those operating under the Industrial Expansion Act 1993 (now repealed) namely, E.P.Z companies, holders of Pioneer Status Certificates, S.M.Es, etc that as from 1st October 2006, these firms are no longer required to apply to the Board of Investment (B.O.I), Small Enterprises and Handicraft Development Authority (S.E.H.D.A) for duty exemption on equipment, spare parts and materials, etc.

Firms may now apply directly to the MRA-Customs Department for duty exemptions under item E70 for duty/tax relief on imported goods required for use in their manufacturing process. An extract of the provisions under E70 is hereunder reproduced:

Item No	Bodies or organizations or persons	Description of goods
E70	Any manufacturer registered with the Customs Department of the Mauritius Revenue Authority.	<p>(1) Equipment (excluding building materials, office equipment, furniture and vehicles) and identifiable and specialized spare parts thereof and for machinery,</p> <p>(2) Materials (including packing materials, but excluding goods of Chapter 22) and accessories, and</p> <p>(3) Laboratory equipment, when proved to the satisfaction of the Director General to have been imported by or on behalf of the manufacturer for use solely in a manufacturing process.</p>

REGISTRATION AT CUSTOMS:

Any manufacturer wishing to benefit from duty exemptions under E70 shall complete registration formalities by submitting a duly completed application form – EXE/CON (specimen annexed) together with the relevant documents, e.g., trade licence, certificate, permits, detailed process of manufacture (as applicable if so required). This application form can be obtained from the Exemption Unit, IKS Bldg, Trou Fanfaron, Port-Louis, or may be downloaded from the following website <http://www.gov.mu/portal/sites/mra/custom>.

PROCESSING OF CUSTOMS DECLARATIONS:

Any local manufacturer claiming duty exemption under E70 shall submit, together with the hard copy of the customs declaration, the duly completed form:E/C specifying the use that will be made of the goods in relation to which duty exemption is being claimed. Any such statement shall bear the signature of an employee not below the rank of a manager. In addition, manufacturers shall provide such information and/or produce other documentary evidence, e.g. valid trade licence/permit, catalogue(s) and samples that may be required by the officer processing any declaration for goods entered under E70.

Manufacturers are reminded that with respect to the provisions under item E70(2), in order to qualify for duty exemption, the materials and accessories should be used solely in a manufacturing process. Consequently, a detailed process of manufacture shall, whenever be required to do so by the officer processing any such declaration, be produced and duty exemption shall be allowed on the condition that such materials and accessories **would undergo adequate and sufficient manufacturing process.**

In addition, manufacturers shall also be required to produce a certificate issued by a qualified accountant specifying the percentage of **value** that will be **added** to the materials whenever the resulting finished product obtained by way of local manufacture falls to be classified under a main tariff heading specified in Part 1 of the First Schedule of the Customs Tariff Act, which is equally the main heading of the materials upon which duty exemption is claimed.

OBLIGATIONS OF MANUFACTURERS:

While every effort will be made by MRA-Customs to expedite the approval of applications, completion of formalities and clearance of goods approved for E70 exemption, beneficiaries of such E-70 exemption are required to allow post clearance checks/audits of their books, records and processes, to verify that such goods which have been granted exemption, are being used as required.

Beneficiaries of E 70 Exemption shall:

- . keep proper records relating to the receipts and use made of all goods cleared under E70 and the outputs obtained there from;
- . allow Customs officers, at all reasonable times, to gain access to their business premises for the purpose of monitoring and control; and
- . produce all relevant records and documents that may be required and answer any question relating to the use or disposal of any goods cleared under E70.

The attention of firms is further drawn to Section 5 of the Customs Tariff Act which provides that all goods upon which any duty exemption has been claimed shall be strictly used for the purpose for which they were destined and not be otherwise disposed of, except with the authorization of the Director General of the MRA, and upon payment of appropriate duty and taxes. Contraveners shall be liable for the payment of the appropriate duty and VAT involved together with interest at the rate of 12% per annum, as well as penalties if E70 exempted goods have not been properly used or cannot be satisfactorily accounted for.

17 January 2008

MRA Customs Department