PRIVATE & CONFIDENTIAL	Please quote your **TAX ACCOUNT No**. in all communications addressed to the **Mauritius Revenue Authority, Ehram Court, Cnr Mgr Gonin & Sir Virgil Naz Streets, Port Louis.**	I.T. FORM 3

TAN :

MAURITIUS REVENUE AUTHORITY

Income Tax

(The Income Tax Act 1995)

Year of assessment 2008 - 2009

(Income for the year 1 July 2007 to 30 June 2008)

RETURN OF INCOME - COMPANY

Applicable to a company, including a non-resident société and any other body of persons.

No accounts should be submitted with the return
All items from the company's Trading & Profit & Loss account and Balance Sheet should be given in the return on pages 2 & 3 inside

This return duly filled in together with payment of tax, if any, should be forwarded so as to reach the Office of the Director-General, **not later than six months** from the end of the month in which the company's accounting year ends. Companies whose accounting year ended between 1 July 2007 and 31 Dec 2007 should file the return at latest by **30 September 2008**.

Please read the *"Notes for completion of annual return"* before filling in this form.

		Yes	No
1	Full Name of company		
2	Email address .... Closing date of accounts D D M M Y Y ☐☐☐☐☐☐		
3	Has there been a change in the main business activity of the company during the income year?	☐	☐
4	Has there been more than 20% change in the ownership of the shares of the company during the income year?	☐	☐
	If above is yes, state the percentage change in shareholding...		
5	Was the company in operation during the income year?	☐	☐
6	Did the company have any transaction with related companies and/or individuals during the the income year?	☐	☐
	If above is yes, were all these transactions based on an arm's length price?	☐	☐
7	Did the company make any distribution by way of shares in lieu of dividends during the year?	☐	☐
8	Amount of dividend declared Rs		
9	Did the company have its place of central management and control in Mauritius?	☐	☐
10	Name of accountant/Firm of accountants		
11	Have the accounts been audited?	☐	☐
12	Did the auditors qualify their report or express any reservation?	☐	☐
13	Name of auditor		
14	Has the company paid tax under APS during the year of assessment 2008/09?	☐	☐
	If yes, state whether the company opts to pay the tax payable in 3 instalments.	☐	☐

Declaration *(See Note 1)*

I, ...

(a) hereby declare that the income, deductions, tax credits and other particulars in this return are true, correct and complete; and

(b) hereby *tender the sum* of Rs .... being the *full/the first instalment of the tax payable* in accordance with this return.

(c) hereby *apply for a refund* of Rs...................................... being the *tax paid in excess* in accordance with this return.

Daytime phone number ☐☐☐☐☐☐☐

Signature ....

Name ....

Date ....

Capacity in which acting ....

TRADING AND PROFIT AND LOSS ACCOUNT *(See Note 2)*

1	Turnover or Gross amount receivable	....	1	
2	**Less:** Cost of sales	....	2	
3	**Gross Profit/Loss**	....	3	
4	**Add:** Dividends	....	4	
5	Interest	....	5	
6	Rent	....	6	
7	Royalties	....	7	
8	Profit on disposal of assets	....	8	
9	Profit on sale of securities	....	9	
10	Other income / items credited to profit and loss account	....	10	
11		**Total lines 3 to 10** ➢	11	....
	Deduct: Expenses per Profit and Loss Account			
12	Wages and salaries	....	12	
13	Other staff costs	....	13	
14	Directors' emoluments	....	14	
15	Commissions and discounts	....	15	
16	Entertainment expenses, gifts and donations	....	16	
17	Advertising and promotional expenses	....	17	
18	Overseas travelling expenses	....	18	
19	Overseas marketing and promotional expenses	....	19	
20	Legal and professional fees	....	20	
21	Management fees	....	21	
22	Interest and bank charges	....	22	
23	Loss on foreign currency exchange	....	23	
24	Electricity, water and telephone charges	....	24	
25	Rent, rates and taxes	....	25	
26	Royalties	....	26	
27	Licences and insurance	....	27	
28	Motor vehicle expenses	....	28	
29	Repairs and maintenance	....	29	
30	Depreciation	....	30	
31	Bad debts and provision for doubtful debts	....	31	
32	Loss on disposal of assets	....	32	
33	Other expenses	....	33	
34		**Total lines 12 to 33** ➢	34	....
35	**Net Profit or Loss per Profit and Loss Account** ***(Transfer to page 4)***	➢	35	....

BALANCE SHEET *(See Note 3)*

	ASSETS EMPLOYED		
	Non-current assets		
1	Land and building	1	....
2	Plant and equipment	2	....
3	Investment properties	3	....
4	Intangible assets	4	....
5	Investments in subsidiary companies	5	....
6	Investments in associated companies	6	....
7	Other investments	7	....
8	Non-current receivables	8	....
9	Deferred tax assets	9	....
10	Other	10	....
11	**Total non-current assets**	11	....
	Current assets		
12	Inventories	12	....
13	Construction contract work in progress	13	....
14	Trade and other receivables	14	....
15	Marketable securities	15	....
16	Cash in hand and at bank	16	....
17	Other	17	....
18	**Total current assets**	18	....
	Current liabilities		
19	Trade and other payables	19	....
20	Current tax liabilities	20	....
21	Borrowings	21	....
22	Provisions for liabilities and charges	22	....
23	Proposed dividends	23	....
24	Other	24	....
25	**Total current liabilities**	25	....
26	**Net current assets**	26	....
27	**TOTAL** ➢	27	....
	FINANCED BY		
	Capital and reserves		
28	Share capital	28	....
29	Share premium	29	....
30	Revaluation and other reserves	30	....
31	Retained earnings / loss c/f	31	....
32	Others	32	....
33	**Shareholders' interest**	33	....
	Non-current liabilities		
34	Borrowings	34	....
35	Deferred tax liabilities	35	....
36	Others	36	....
37	**Total non current liabilities**	37	....
38	**TOTAL** ➢	38	....

COMPUTATION OF CHARGEABLE INCOME *(See note 4)*

1	**Net Profit or Loss per Profit and Loss Account** *(Transfer from page 2)*		1	....
	Add: Unauthorised deductions			
2	Expenditure incurred in the production of exempt income	....	2	
3	Transfers to provisions and reserves	....	3	
4	Expenditure/loss recoverable under a contract of insurance or indemnity	....	4	
5	Income tax or foreign tax	....	5	
6	Penalties and fines	....	6	
7	Depreciation	....	7	
8	Loss on disposal/revaluation of fixed assets including securities	....	8	
9	Other non allowable expenditure or loss	....	9	
10	**Add:** Income not included in Profit and Loss account	....	10	
11	**TOTAL** ➢		11	....
12	**Deduct:** Dividends receivable from resident companies	....	12	
13	Other exempt income	....	13	
14	Annual allowance	....	14	
15	Investment allowance	....	15	
16	Gain on disposal/revaluation of fixed assets including securities	....	16	
17	Overseas marketing and promotional expenses	....	17	
18	Disabled employee deduction	....	18	
19	Other deductible items	....	19	....
20	**PROFIT/(LOSS) AS ADJUSTED FOR TAX PURPOSES** ➢		20	....
21	**Deduct:** Losses brought forward from previous year ➢		21	....
22	**BALANCE** ➢		22	....
23	**Add/Deduct:** Unrelieved losses transferred on takeover or merger ➢		23	....
24	**Chargeable Income/Loss carried forward** ➢		24	....
25	**Chargeable Income in Mauritian Rupees** (Exchange rate - Rs ________) ➢		25	....

CALCULATION OF TAX *(See note 5)*

1	**Tax - 15 % on chargeable income** ➢	1	....
	TAX CREDIT		
2	**Deduct:** Special tax credit ➢	2	....
3	Normal tax payable (**A**) ➢	3	....
4	Alternative Minimum Tax (**B**) ➢	4	....
5	Tax Payable (higher of **A** and **B**) ➢	5	....
6	**Deduct:** Foreign tax credit ➢	6	....
7	**BALANCE AFTER TAX CREDIT** ➢	7	....
8	National Residential Property Tax (NRPT)		

	Address Town/Village	Tick as appropriate: Apartment, flat or tenement	Tick as appropriate: Any other residential property	Area (sq. mt.)	Tax Rate (per sq. mt.)	No. of months of ownership during the year	NRPT	Less tax paid under Local Govt. Act	NRPT payable	
8.1										8.1
8.2										8.2
8.3										8.3

8.4	**Total NRPT** ➢	8.4	....
9	**TOTAL TAX (lines 7 + 8.4)** ➢	9	....
10	**Deduct:** Tax Deducted at Source (TDS) ➢	10	....

TAN of Payer	TAN of Payee	Amount of tax deducted (Rs only): Rent	Royalties	Contract	Services	Total
Total						

11	TDS credits for interest ➢	11	....
12	**TAX PAYABLE** ➢	12	....
13	Interest on unpaid tax ➢	13	....
14	**Penalty:**		
15	LSR [ ] LPT [ ] FSRE [ ] **Total penalty** ➢	15	....
16	**TOTAL TAX PAYABLE/(TAX PAID IN EXCESS)** ➢	16	....

NOTES FOR COMPLETION OF ANNUAL RETURN OF INCOME OF A COMPANY

YEAR OF ASSESSMENT 2008-2009

These notes are intended to assist in the completion of the return. If further information is required please contact the Mauritius Revenue Authority (MRA), Ehram Court, Ground Floor,Cnr Mgr Gonin & Sir V. Naz Streets, Port Louis,Tel 207-6000

Note 1 <u>**Declaration**</u>

This section should be completed after filling in all items on pages 1 to 4.

Regarding payment, cheque should be crossed and made payable to the *Director-General, MRA*. Full name and tax account number of the company should be written on the verso of the cheque.

Note 2 ***Trading and Profit and Loss Account***

The company's Trading and profit & loss a/c should be given on page 2.
No accounts should be attached. Any item of expenditure in the Trading & Profit & Loss a/c not indicated on the return should be included in item 33 'other expenses'.

Note 3 ***Balance Sheet***

The details of Balance Sheets items should be given at page 3.

Note 4 ***Computation of Chargeable Income***

The profit as per the profit & loss a/c is not the taxable profit as not all items of income are taxable nor are all items of expenses deductible for tax purposes. The net profit/loss as per Profit and Loss a/c needs to be adjusted to arrive at the chargeable income.

General Rule for deduction of expenses

Any expenditure or loss to the extent to which it is exclusively incurred in the production of the gross income of the business is deductible from the gross income.

Unauthorised deductions

The following items of expenditure are specifically prohibited by Section 26 of the Income Tax Act -

(a) any investment, expenditure or loss to the extent to which it is capital or of a capital nature;
(b) any expenditure or loss to the extent to which it is incurred in the production of income which is exempt income;
(c) any reserve or provision of any kind;
(d) any expenditure or loss recoverable under a contract of insurance or of indemnity;
(e) any expenditure incurred in providing business entertainment or any gift;
(f) any tax payable under the Land (Duties and Taxes) Act 1984;
(g) income tax or foreign tax;
(h) any expenditure or loss to the extent to which it is of a private or domestic nature.

- ***Item 2 - Expenditure incurred in the production of exempt income***

(1) Expenditure or loss exclusively incurred in the production of exempt income is not allowable.

(2) Where expenditure or loss is incurred in the production of both gross income and exempt income, that part of the expenditure or loss attributable to the production of exempt income shall be calculated using the following formula:

$$\frac{\text{exempt income} \times \text{expenditure or loss}}{\text{total gross income (including exempt income)}}$$

(3) Where the proportion of exempt income to total gross income in the above formula is 10 per cent or less, no part of the expenditure or loss as determined above shall be disallowed.

- <u>**Dividends payable**</u>

  Dividends payable are not deductible in computing the chargeable income of a company.

- ***Item 12 - Dividends receivable***

  Dividends receivable from a resident company are exempt from tax. However, where a company's income includes exempt income, the expenses incurred to produce such exempt income should be added back in (<u>Item 2 of Page 4</u>). Dividends receivable from outside Mauritius are taxable.

- ***Item 13 - Other exempt income***

  Apart from the other types of income exempted under Part II of the Second Schedule to the Income Tax Act, the exemption of two-thirds of the net income derived by companies holding an investment certificate issued under the *Investment Promotion (ICT Scheme) Regulations 2002* as provided in the transitional provisions under subsection 7C of section 161A, may also be deducted under this item.

- ***Item 14 - Annual allowance***

  Depreciation, being a provision, is not an allowable expenditure. A company may instead, claim deduction in respect of annual allowance on capital expenditure at the prescribed rates.

Capital expenditure incurred on	**Rate as a % of** Base Value	Cost
1. Industrial premises excluding hotels	-	5%
2. Commercial premises	-	5%
3. Hotels	30%	-
4. Plant or Machinery –		
(a) costing 30,000 rupees or less	-	100%
(b) costing more than 30,000 rupees –		
(i) ships or aircrafts	20%	-
(ii) aircrafts and aircraft simulators leased by a company engaged in aircraft leasing	-	100%
(iii) motor vehicles	25%	-
(iv) electronic and high precision machinery or equipment, computer hardware and peripherals and computer software	50%	-
(v) furniture and fittings	20%	-
(vi) other	35%	-
5. Improvement on agricultural land for agricultural purposes	25%	-
6. Scientific research	25%	-
7. Golf courses	15%	-
8. Acquisition or improvement of any other item of a capital nature which is subject to depreciation under the normal accounting principles	-	5%

Companies whose application has been approved under the Investment Promotion Act or any other enactment may claim annual allowance in respect of capital expenditure incurred on or before 30 June 2009 at the rate applicable as at 30 June 2006, provided the company has made that option by irrevocable notice.

- ***Item 15 - Investment allowance***

  Companies that have opted to claim annual allowance at the rate prevailing as at 30 June 2006 may also claim investment allowance on capital expenditure incurred on industrial premises, new plant and machinery and computer software.

- ***Item 17 - Overseas marketing and promotional expenses***

  The company is entitled to a further deduction of the total expenditure incurred on overseas marketing and promotional expenses over and above the amount already claimed in accounts.

- ***Item 19 - Other deductible items***

  A further deduction of the amount incurred on emoluments of a disabled person or emoluments or training costs of an employee employed in any business set up in the island of Rodrigues is allowable over and above the amount already claimed in accounts.

- ***Item 20 - Profit/(Loss) as adjusted for tax purposes***

  (i) Section 59 of the Income Tax Act provides for the carry forward of losses to be set-off against net income of the following 5 income years.

  (ii) The time limit of 5 years is not applicable for the carry forward of the loss attributable to annual allowances in respect of capital expenditure incurred during the income year.

  (iii) However, the time limit of 5 years will apply to losses attributable to annual allowance in the case of a company which has opted to claim annual allowance at the rates prevailing on 30 June 2006 (2006/07).

- ***Item 21 - Loss brought forward from previous year***

  (i) Any unrelieved loss as at 30 June 2006 (including loss attributable to capital allowances) may be carried forward for a maximum period of 5 years.

  (ii) The time limit of 5 years is not applicable for the carry forward of any amount of loss that is attributable to annual allowance claimed in respect of capital expenditure incurred on or after 1 July 2006.

- ***Item 23 - Transfer of loss on takeover or merger***

  The law provides for the transfer of unrelieved losses where a company takes over another company engaged in manufacturing activities or where 2 or more companies engaged in manufacturing activities merge into one company, provided that the acquiree company is dissolved after the takeover and on such conditions relating to safeguard of employment as may be approved by the Minister.

- ***Item 25 - Chargeable Income in Mauritian Rupees***

  All transactions should be expressed in Mauritius currency except for those entities to which section 6(4) of the Income Tax Act applies and which are required to convert their net income into Mauritius currency at the exchange rate in force at the date on which the return is submitted to the *Director-General*.

Note 5 ***Calculation of tax***

Income Tax Rate

The rate of tax applicable to all companies is 15%

- ***Item 2 - Special tax credit***

  Section 161A of the Income Tax Act provides for a special tax credit in respect of investment in a company set up for the purpose of operating a spinning factory, and in a company engaged in weaving, dyeing and knitting of fabrics.

- ***Item 4 - Alternative Minimum Tax***

This is applicable where a company's "*normal tax payable*" is less than 7.5% of its book profit. It is not applicable to:

- a company which is exempt from tax; or
- where 10% of the aggregate amount of any dividend declared and any amount distributed by way of shares in lieu of dividend do not exceed the "*normal tax payable*".
- a company holding a category 1 Gobal Business Licence under the Financial Act 2007

"*Normal tax payable*" is the tax payable arrived at by multiplying the chargeable income of the company by the applicable tax rate and after allowing for any tax credit except credit in respect of foreign tax.

Book Profit is the accounting profit reduced by-

(i) dividends receivable from resident companies;
(ii) profits on disposal or revaluation of fixed assets; and
(iii) profits or gains from sale or revaluation of securities,
where such items are credited to profit and loss a/c

and increased by -

(i) expenditure attributable to the production of dividend, profits or gains from the sale/revaluation of fixed assets/securities;
(ii) loss on disposal or revaluation of fixed assets; and
(iii) loss from sale or revaluation of securities,
where such items are credited to profit and loss a/c.

- ***Item 8 - National Residential Property Tax (NRPT)***

  National Residential Property Tax is payable on any residential property (excluding bare land) owned at any time during the year. NRPT should be calculated on a pro-rata basis if the property is acquired, sold or transferred during the year.

  NRPT is calculated in case of apartment, flat or tenement with reference to its floor area as specified in the title deed or contract and the rate is Rs 30 per square metre. In the case of any other residential property i.e. building, campement, bungalow etc., the tax is calculated with reference to the surface area of the land at the rate of Rs 10 per square metre. Where the company owns more than 3 residential properties, attach additional sheet(s) as necessary.

- ***Item 10 - Tax deducted at source (TDS)***

  Any tax deducted at source should be accompanied by a **'Statement of Income Tax deduction'** given by the payer in the prescribed format.

  A company should take credit of TDS in accordance with the Statement of Income Tax Deduction provided by the payer for the income year immediately preceding the due date for the submission of the relevant annual return.

  Companies which had their accounting year ended between 1 July 2007 and 31 December 2007 should **not** take credit for TDS in their annual return for the year of assessment 2008-2009. All TDS in respect of the income year ended 30 June 2008 should be deducted in their annual return for the year of assessment 2009-2010. Attach additional sheet(s) if necessary to give the required details.

- ***Item 12 - Balance of tax payable***

  Any company which pays tax under the Advance Payment System during the year of assessment 2008-2009 may pay the tax payable in accordance with its annual return for that year of assessment in 3 equal instalment payable by the due date for submission of its annual return for the years of assessment 2008-2009, 2009-2010 and 2010-2011.

- ***Item 13 - Interest on unpaid tax***

  The law provides for payment of interest at the rate of 1 per cent per month or part of the month during which the tax remains unpaid.

- ***Item 14 - Penalty***

  Penalty is provided under the law for late submission of return, late payment of tax and failure to submit return electronically.

- **Late submission of return(LSR)**, a penalty of Rs 2000 per month or part of the month is payable until the time the return is submitted. The total penalty is restricted to Rs 20,000.
- **Late payment of tax(LPT)**, a penalty of 5 per cent of the amount of tax is payable on the amount of tax remaining unpaid.
- **Failure to submit return electronically(FSRE)**, a penalty of 20 per cent of the tax (not exceeding Rs 100,000) or Rs 5,000 where no tax liability is declared in the return, is payable where, subject to a written notice given by the *Director-General*, a person fails to justify the failure to submit his return electronically.