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Goods and Services exempted from VAT – VAT Information Leaflet No. 1

1. FOREWORD

Goods and Services which are exempted from the payment of VAT are specified in the First Schedule to the Value Added Tax Act as subsequently amended.

To find out whether any goods or services is exempted or not you are advised to consult this leaflet which gives the list of goods and services exempted as to date unless otherwise indicated.

This leaflet is for information only. For the legal provision, you may consult the Value Added Tax legislation.

PART A of this leaflet provides a list of supplies exempted in accordance with the FIRST SCHEDULE to the Act. PART B gives further information on certain goods and services, which are exempted.

In case of doubt, please contact

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Mauritius Revenue Authority,
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PART A

List of exempted goods and services

1. Rice.
2. Wheat; cereal flours (excluding wheat flour).
3. Bread.
4. Animal or vegetable fats and oils other than ghee produced in Mauritius and edible oils.
5. Butter.
6. Milk and cream (other than sterilised liquid milk), buttermilk, whey, kephir and other fermented or acidified milk and cream; cheese and curd.
7. Food of a kind used for human consumption -
 - (a) fish (excluding fresh, chilled or frozen fish, the produce of Mauritius, and canned tuna, smoked fish and processed fish produced in and exported from Mauritius);
 - (b) meat (excluding meat of poultry) other than canned meat produced in and exported from Mauritius, meat offal (excluding offal of poultry);
 - (c) primary agricultural and horticultural produce (including tomatoes, potatoes, onions and other vegetables, fruits, tea, coffee, cocoa beans and nuts) which have not been processed except for reaping, threshing, husking, crushing, winnowing, trimming, drying and packaging to put them into marketable condition, other than vegetables and fruits produced in and exported from Mauritius and bird's eggs in the shell;
 - (d) soya bean protein cakes or chunks.
8. Food preparations from goods of heading Nos. 04.01 to 04.04, not containing cocoa powder or containing cocoa powder in a proportion by weight of less than 10%, for infant use, put up for retail sale, of heading No. 1901.101.
9. Common salt other than common salt produced in Mauritius.
10. Live animals of a kind generally used as, or yielding or producing, food for human consumption other than live poultry.
11. Unprocessed agricultural and horticultural produce, other than horticultural produce produced in and exported from Mauritius.
12. Medical, hospital and dental services including clinical laboratory services, services provided in a health institution and veterinary services.
 1. Antibiotics of heading No. 29.41 other than those produced in and exported from Mauritius.
 14. Pharmaceutical products of heading Nos. 30.01 to 30.06 other than those produced in and exported from Mauritius.
 15. Invalid carriages of heading No. 87.13; orthopaedic or other appliances or articles of heading No. 90.21.
16. Educational and training services.
17. Journals and periodicals of heading No. 49.02.
18. Deleted

19. Deleted
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 1000 rupees under item No. E11.
- 26A... Sharlon shade, green house, shade screens, fertigation pumps, irrigation pumps, drip irrigation and automatic irrigation controller, imported by persons for use in agriculture under item No. E12.
27. The transport of passengers by public service vehicles excluding contract buses for the transport of tourists and contract cars.
28. Deleted
29. Deleted
30. (a) Charges under a hire purchase agreement or under a finance lease agreement.
(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.
31. Vegetable seeds, fruit and flower seeds, bulbs and plants, used for sowing or planting
32. Deleted
33. Molasses when supplied, either for consideration or otherwise, to planters and bagasse.
34. Herbicides.
35. Deleted
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.
37. Deleted
38. Aircraft leasing.
39. Aircrafts of heading No.88.02.
40. Ships for the transport of persons or goods or both persons and 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. 97.01 to 97.06.
43. Cargo handling services in respect of goods 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
 - (d) from a place outside Mauritius to another place outside Mauritius.
44. Deleted
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.
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.
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) including -
 - (a) 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 and the operation of any current, deposit or savings account, but except -
 - (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);
 - (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;
 - (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, but except services provided by an insurance agent, insurance broker or insurance salesman;
 - (fa) the making of loans between entities within the same group; and
 - (g) such other financial services as may be prescribed.
51. Buses of H.S Codes 8702.1011 and 8702.9011 and chassis for buses of H.S Code 8706.0011 operated under a road service licence and used for the transport of the general public
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 articles 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
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 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.
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

60. Preparations for the treatment of textile materials, leather, furskins or other materials of H.S. Codes 3403.11 and 3403.91
61. Printed circuits of heading 85.34 and electronic integrated circuits and micro-assemblies of heading 85.42
62. Pigs', hogs', boars' or bristles and hair; badger hair and other brush making hair; and waste of such bristles or hair of heading 05.02
63. Machinery of H.S. Codes 8422.20 to 8422.40
64. Watch movements of heading 91.08 and H.S. Codes 9110.11 to 9110.19 and watch or clocks parts of headings 91.14
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 contact in respect thereof has been entered into; or
 - (b)the letter of intent relating to an Integreted Resort Scheme prescribed under the Investment Promotion Act has been issued,
 prior to 1 October 2006.

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) "fish", "meat" and "meat offal" in item 7(a) and (b) -
 - (i) include food preparations containing more than 20% by weight of fish, sausage, meat, meat offal, blood, or any combination thereof; but
 - (ii) exclude caviar and caviar substitutes of heading 16.04 and the stuffed products of heading No. 19.02 or the preparations of heading No. 21.03 or 21.04;
- (d) "health institution" in item 12 has the same meaning as in the Private Health Institutions Act 1989;
- (e) "public service vehicles" in item 27 has the same meaning as in the Road Traffic Act;
- (f) "contract cars" in item 26 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 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 10 October 2003.
- (j) the exemption granted under item 51 shall be valid up to 31 August 2007.

64. PART B

Section I

Unprocessed agricultural/horticultural produce – Item 11

The goods (other than horticultural produce produced in and exported from Mauritius) mentioned below are exempted from VAT provided that they have not been processed.

<i>Heading No.</i>	<i>Description</i>
06.01	Bulbs, tubers, tuberous roots, corms, crowns and rhizomes, chicory plants and roots other than roots of heading No. 12.12.
06.02	Other live plants, cuttings and slips; mushroom spawn.
06.03 (part)	Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh.
06.04 (part)	Foliage, branches and other parts of plants, without flowers or flower buds, and grasses, mosses and lichens, being goods of a kind suitable for bouquets or for ornamental purposes, fresh.
12.01 to 12.07 (part); 12.10 to 12.11 (part) 12.13 (part)	Oil seeds and oleaginous fruits, fresh; miscellaneous grains, seeds and fruit, fresh; industrial or medicinal plants, fresh; straw, unprocessed.

Section II

Customs Procedure Code of certain exempted goods

For the purposes of this section, CPC refers to The Customs Procedure Code currently used in Customs Declarations for the representation of the different types of commercial Customs procedures.

<i>Customs Procedure Code</i>	<i>Description</i>	<i>Item of the List</i>
61000 61001 62002 62003 63000	Goods re-imported in respect of which no refund of VAT was made on exportation - E1 and E2.	18
80000 80002 80004 80006	Goods imported under the transshipment procedure laid down in the Customs Act 1988 - E4.	19
62001 67001	Articles re-imported after repairs - E6.	20

40E08 47E08	Bona fide baggage of a passenger – E8	21
40E09 47E09	Household and personal effects of a passenger– E9	22

<i>Customs Procedure Code</i>	<i>Description</i>	<i>Item of the List</i>
—	Goods imported in the baggage of a passenger-E10	23
—	Goods imported by post for a value for duty purposes not exceeding Rs 1,000 - E11.	24
40 STM 47 STM	Post Office stamps	26
40COF 47COF	Coffins	42

Section III

Services

- Medical, hospital and dental services including clinical laboratory services, services provided in a health institution and veterinary services – Item 12.

Health institution is defined in the Private Health Institutions Act 1989 as including a clinical laboratory, a health care unit, a hospital and a nursing home.

- The transport of passengers by public service vehicles excluding contract buses for the transport of tourists and contract cars - Item 26`.

Public service vehicle is defined in the Road Traffic Act as a motor vehicle used for carrying passengers for hire or reward.

- Entrance fees to any event in respect of any sport discipline specified in the Physical Education and Sport (Designation of Sport Disciplines) Regulations 1986 – Item 38.

The *sport disciplines* are -

PART I	PART II
OLYMPIC SPORT DISCIPLINES	NON-OLYMPIC SPORT DISCIPLINES
1. Archery	1. Aikido
2. Athletics	2. Billiard
3. Basketball	3. Badminton
4. Boxing	4. Bodybuilding
5. Cycling	5. Cricket
6. Equestrian	6. Dart
7. Fencing	7. French boxing
8. Football	8. Golf
9. Gymnastics	9. Ju-jitsu

Sport Disciplines – (continued)

PART I	PART II
OLYMPIC SPORT DISCIPLINES	NON-OLYMPIC SPORT DISCIPLINES
10. Handball	10. Karate
11. Hockey	11. Karting
12. Judo	12. Motor racing
13. Shooting	13. Petanque
14. Swimming	14. Squash
15. Tennis	15. Tennis volley
16. Volleyball	16. Rugby
17. Weightlifting	17. Roller-skating
18. Wrestling	18. Taichichuan
19. Yatching	19. Tae Kwondo
20. Canoeing	20. Triathlon
21. Diving	21. Underwater diving
22. Modern pentathlon	22. Water skiing
23. Rowing	
24. Synchronized swimming	

- 25. Water polo
- 26. Table Tennis

- Financial services – Item 43

- (g) the making of loans between entities within the same group refers to interest chargeable on the loans.