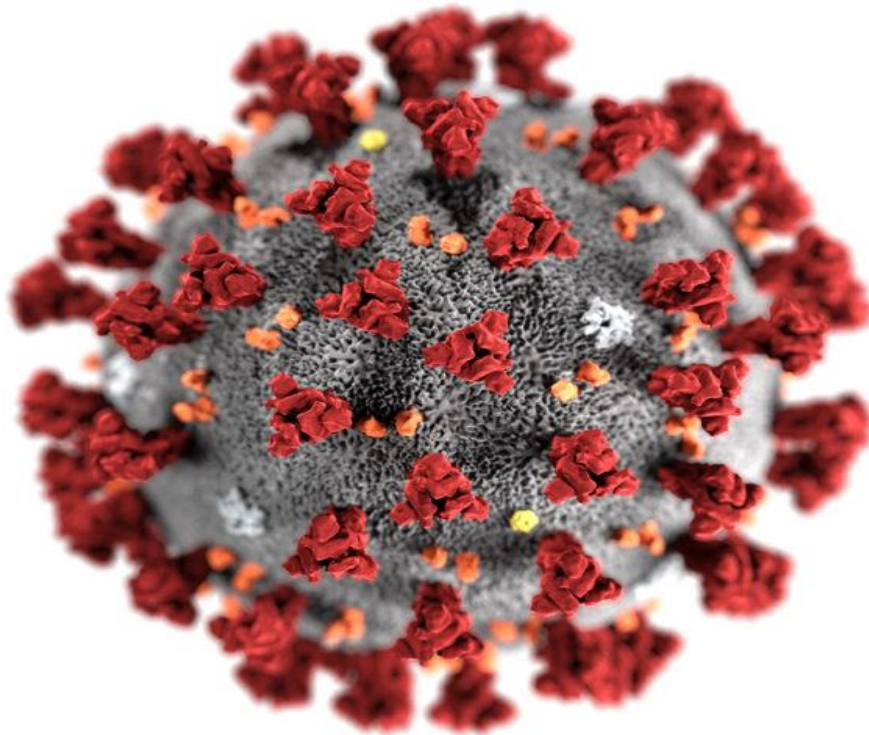


COVID-19 (MISCELLANEOUS PROVISIONS) ACT TAX MEASURES



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General Measures

1. COVID-19 period

The COVID-19 period starts on 23 March 2020 until 1 June 2020. However, the period may be extended by regulations made by the Prime Minister.

2. Extension of time during COVID-19 period

When the time to do an act expires or falls wholly or partly during the COVID-19 period or a period of 30 days after end of the COVID-19 period, the act may be done not later than the period that may be prescribed. The act can be any of the following:

- Institute or lodge judicial proceedings which can be proceedings before any Court, statutory tribunal, statutory committee, statutory commission or statutory panel including an appeal, an objection, a review, a petition, an application by way of case stated, a representation, a complaint, an assessment or any other statutory application.
- make a payment of any fine, tax, charge, levy, duty, fine, penalty, interest, surcharge or any other fee.
- make application or renewal for a licence including a permit, an approval, a clearance, a certificate or any other similar authorisation.
- take a decision or give a determination.
- submit a report including any information, book, record, return, prospectus or any similar document whether in electronic form or not.
- register a document.
- serve a notice or any other document.
- refrain from doing an act.

3. Extension of licence during COVID-19 period

When a licence including a permit, an approval, a clearance, a certificate or any other similar authorisation expires during the COVID-19 period or a period of 30 days after end of the COVID-19 period, it is deemed not to have expired and remains valid for the period that may be prescribed.

4. No charge, interest, penalty, surcharge or any other additional fee during COVID-19 period

No charge, interest, penalty, surcharge or any other additional fee to be charged or payable where the time for doing an act or thing falls wholly or partly during the COVID-19 period or a period of 30 days after end of the COVID-19 period provided the act or thing is done not later than the period that may be prescribed.

Mauritius Revenue Authority

5. Assessment Review Committee (ARC)

When the statutory delay relating to proceedings before the ARC falls during the COVID-19 period, that statutory delay is to start after the end of the COVID-19 period. When the statutory delay falls within 21 days after the end of the COVID-19 period, that statutory delay is to start after the 21-day period.

6. Assessment, decision, determination, notice and claim under Revenue Law

When the time imposed to make an assessment or a determination, take a decision or issue a notice or claim under any Revenue Law falls during the COVID-19 period, they can be made or taken or issued within 2 months after the end of the COVID-19 period. When they fall within 30 days after the end of the COVID-19 period, they can be made or taken or issued within 2 months after the 30-day period.

7. Payment under Revenue Law

When the time to make a payment under any Revenue Law falls during the COVID-19 period, payment can be made without penalty and interest until 25 June 2020. When the time falls after the end of the COVID-19 period until 30 June 2020, payment should be made not later than 26 June 2020.

8. Expeditious Dispute Resolution Tax Scheme Panel

The time limit to make an application for review by the Expeditious Dispute Resolution Tax Scheme Panel is extended from 30 June 2020 to 31 August 2020.

Income Tax

9. Wage Assistance Scheme

The Government has set up the Wage Assistance Scheme to help employers deriving income from a business or having charitable activities to pay salaries to their full-time or part-time employees during the COVID-19 period.

The minimum allowance is calculated on the National Minimum Wage of Rs.9,000 and the maximum is for an employee earning basic salary or wage of Rs.50,000. The monthly allowance paid to the employers depends on where the employees are working and is a percentage of the monthly basic salary or wage as follows:

2020	Employees in Mauritius		Employees in Rodrigues and Agalega	
	Percentage	Maximum allowance	Percentage	Maximum allowance
March	50%	Rs.12,500	50%	Rs.12,500
April	100%	Rs.25,000	50%	Rs.12,500
May	100%	Rs.25,000	-	-

The application for the allowance is made electronically to the Mauritius Revenue Authority. **An application must be made within a period of 3 months from the end of the month to which it relates or 2 months from the end of the COVID-19 period (1 June 2020 for the time being), whichever is the earlier.**

The payment of the allowance by the Mauritius Revenue Authority is made on the basis of information provided and which is compared with the National Pension Fund return submitted for January 2020, so the amount may be less than what the employer expected. The balance may be settled after a review is made with the National Pension Fund return submitted for March to May 2020. The allowance is also payable for an employee for whom contribution to the National Pension Fund is not required.

An employer benefitting from the allowance will no longer be entitled in future months:

- once he terminates the employment of an eligible employee.
- if he does not pay the basic salary or wage to an eligible employee.
- If he reduces the basic salary or wage of an eligible employee.

In the last two instances, he is required to refund the allowance not paid to an eligible employee. In addition, an employer shall refund any allowance to which he is not entitled otherwise the Mauritius Revenue Authority may take appropriate action to recover the amount. Giving false information or refusing to give information to the Mauritius Revenue Authority is an offence punishable on conviction to a fine not exceeding Rs.50,000 and imprisonment for a term not exceeding 2 years.

10. COVID-19 Levy

Every employer, being an individual, a resident societe or a company, having benefitted from the Wage Assistance Scheme has to pay the COVID-19 Levy when submitting his income tax return if he is liable to income tax for the year of assessment 2020/21, 2021/22 or 2022/23, as the case may be. The applicable year of assessment is determined as follows:

Year of assessment	Latest date levy payable
Year of assessment 2020/21	
Individual for income year ending 30 June 2020	30 September 2020 or 15 October 2020
Resident societe for year ending 30 June 2020	30 September 2020
Company with accounting year ending during the period 1 May 2020 to 31 December 2020	6 months after year end which can be from 1 November 2020 to 28 June 2021
Year of assessment 2021/22	
Individual for income year ending 30 June 2021	30 September 2021 or 15 October 2021
Resident societe for year ending 30 June 2021	30 September 2021
Company with accounting year ending during the period 1 May 2021 to 31 December 2021	6 months after year end which can be from 1 November 2021 to 28 June 2022
Company with accounting year ending during the period 1 January 2021 to 30 April 2021	6 months after year end which can be from 1 July 2021 to 1 November 2021
Year of assessment 2022/23	
Company with accounting year ending during the period 1 January 2022 to 30 April 2022	6 months after year end which can be from 1 July 2022 to 1 November 2022

The COVID-19 Levy is payable for the first applicable year of assessment on the lower of:

1. the amount received under the Wage Assistance Scheme; and
2. 15% of the tax adjusted profit for the year before deducting any tax loss brought forward.

If for the second applicable year of assessment, the amount received under the Wage Assistance Scheme is more than the first payment of COVID-19 Levy or no payment has been made, the COVID-19 Levy is payable on the lower of:

1. the amount received under the Wage Assistance Scheme less the COVID-19 Levy paid for the first year of assessment; and
2. 15% of the tax adjusted profit for the year before deducting any tax loss brought forward.

We are of the view that the amount received under the Wage Assistance Scheme should not be taken into account when calculating the COVID-19 Levy payable as the intention of the Government is to make profitable companies refund the amount received in full or partially. Furthermore, the COVID-19 Levy payable should be allowed as a tax deduction for the year of assessment for which it is payable.

Late payment of the COVID-19 Levy entails a penalty of 10% of the amount paid late and interest at the rate of 1% per month or part of a month of the outstanding amount.

The Mauritius Revenue Authority has 3 years from the date the COVID-19 Levy should have been paid to issue a claim to employers to pay any unpaid amount together with penalty and interest. The employer has 28 days from the date of the notice to either pay the amount claimed or object against the claim. The Mauritius Revenue Authority has 4 months to determine the objection against the claim. If the

employer is still not satisfied with the determination, he may make representations within 28 days to the Assessment Review Committee. If after legal proceedings before the Supreme Court and the Judicial Committee of the Privy Council the employer still fails to pay the amount claimed, the Mauritius Revenue Authority can initiate action by virtue of the provisions under the Mauritius Revenue Authority Act, such as attachment, distress and sale, to recover the outstanding amount of the Levy plus penalty, interest and other costs.

The Minister of Finance may regulate that some employers are exempted from the payment of the COVID-19 Levy. The anti-avoidance provisions in the Income Tax Act apply to the COVID-19 Levy. Any employer convicted for the offence of making a false declaration or giving a statement which is false or misleading in any material particular is liable to a fine not exceeding Rs.1 million and to imprisonment for a term not exceeding 2 years.

11. Self-Employed Assistance Scheme

A self-employed is a Mauritian individual who is above the age of 18 residing in Mauritius and is not in part-time or full-time employment as at 1 March 2020 but has been in business on his own account or is a tradesperson carrying out activities such as mason, cabinet maker, plumber, hairdresser, artist or other similar activities for at least 3 months before 23 March 2020. An individual deriving income from rent, dividends, interest and other income as may be prescribed is not considered to be a self-employed.

A self-employed carrying out his main business activities in Mauritius is entitled to an allowance from the Mauritius Revenue Authority as follows:

Period	Amount
16 March 2020 to 15 April 2020	Rs.5,100
16 April 2020 to 30 April 2020	Rs.2,550
1 May 2020 to 31 May 2020	Rs.5,100

A self-employed is not entitled to the allowance if:

- he receives social benefits including basic retirement pension or widows pension.
- he is pursuing higher studies on a full-time basis.
- he is a dependent spouse.
- the aggregate income of his couple exceeds Rs.50,000.
- he is a registered fisherman.
- he meets such other criteria as may be prescribed.

The application for the allowance is made electronically to the Mauritius Revenue Authority. **An application must be made within a period of 3 months from the end of the month to which it relates or 2 months from the end of the COVID-19 period (1 June 2020 for the time being), whichever is the earlier.**

The Mauritius Revenue Authority cannot request information or document more than one year after a person has been paid the allowance to determine his eligibility or correctness of the information

provided. A person is required to refund any allowance to which he is not entitled otherwise the Mauritius Revenue Authority may take any appropriate action to recover the amount. A person convicted for giving false information or refusing to give information to the Mauritius Revenue Authority is liable to a fine not exceeding Rs.10,000 and imprisonment for a term not exceeding 6 months.

12. Contribution to COVID-19 Solidarity Fund

Individuals and companies can deduct donation made to the COVID-19 Solidarity Fund from their taxable income. Where the amount of the donation exceeds the taxable income, the excess can be deducted from the taxable income of the next two successive income years.

A company can deduct the amount donated from its taxable income when submitting its income tax return depending on its financial year as follows:

1. 30 June year end
 - Donation made until 30 June 2020
 - it can claim the deduction when its income tax return will be submitted in December 2020.
 - any excess amount can be deducted when the income tax return will be submitted in December 2021 and December 2022 if necessary.
 - Donation made from 1 July 2020 to 30 June 2021
 - it can claim the deduction when its income tax return will be submitted in December 2021.
 - any excess amount can be deducted when the income tax return will be submitted in December 2022 and December 2023 if necessary.
2. 30 September year end
 - Donation made until 30 September 2020
 - it can claim the deduction when its income tax return will be submitted in March 2021.
 - any excess amount can be deducted when the income tax return will be submitted in March 2022 and March 2023 if necessary.
 - Donation made from 1 October 2020 to 30 September 2021
 - it can claim the deduction when its income tax return will be submitted in March 2022.
 - any excess amount can be deducted when the income tax return will be submitted in March 2023 and March 2024 if necessary.
3. 31 December year end
 - Donation made until 31 December 2020
 - it can claim the deduction when its income tax return will be submitted in June 2021.
 - any excess amount can be deducted when the income tax return will be submitted in June 2022 and June 2023 if necessary.
 - Donation made from 1 January 2021 to 31 December 2021

- it can claim the deduction when its income tax return will be submitted in June 2022.
 - any excess amount can be deducted when the income tax return will be submitted in June 2023 and June 2024 if necessary.
4. 31 March year end
- Donation made until 31 March 2021
 - it can claim the deduction when its income tax return will be submitted in September 2021.
 - any excess amount can be deducted when the income tax return will be submitted in September 2022 and September 2023 if necessary.
 - Donation made from 1 April 2021 to 31 March 2022
 - it can claim the deduction when its income tax return will be submitted in September 2022.
 - any excess amount can be deducted when the income tax return will be submitted in September 2023 and September 2024 if necessary.

An individual can claim a deduction for the donation made to the COVID-19 Solidarity Fund as follows:

1. Donation made up to 30 June 2020
 - when he submits his next annual income tax return in September or October 2020.
 - any excess amount can be deducted when the income tax return will be submitted in September or October 2021 and September or October 2022 if necessary.
2. Donation made from 1 July 2020 to 30 June 2021
 - when he submits his annual income tax return in September or October 2021.
 - any excess amount can be deducted when the income tax return will be submitted in September or October 2022 and September or October 2023 if necessary.

13. Voluntary Disclosure of Income Scheme - Foreign Assets

The Scheme is extended to 26 June 2020. A person may make a voluntary disclosure of income derived from Mauritius but held offshore in bank accounts and/or used to purchase foreign assets which has not been declared for any year of assessment preceding the year of assessment ending on 30 June 2020. Income tax at the rate of 15% without any penalty and interest for late payment of tax is payable at the time of disclosure of the undeclared income. Where the tax is not paid in full by 26 June 2020, interest at the rate of 0.5% per month is payable on the amount of unpaid tax. Documentary evidence should be presented showing the existence of the foreign assets.

This Scheme does not apply to any person who has been convicted after 30 June 2001 or against whom proceedings are pending or enquiry is being conducted for the trafficking of dangerous drugs, arms trafficking, terrorism, money laundering or corruption.

Environment Protection Fee

14. Levy of fee

Guest houses and tourist residences of more than 4 bedrooms and hotels are not required to pay the Environment Protection fee for the period from 1 March 2020 to 31 December 2020. The period may be extended by Regulations.

15. Payment of fee

Environment Protection fee not paid during the COVID-19 period must be paid within 30 days after the end of the COVID-19 period to avoid the payment of penalty. Likewise, any Environment Protection fee falling due within a period of 21 days after the end of the COVID-19 period must be paid within 30 days after the end of the 21-day period.

Land (Duties and Taxes)

16. Assessment

When the 7-month period to send a notice of assessment falls during the COVID-19 period, the Registrar-General has 3 months after the end of the COVID-19 period to send the notice of assessment. When the 7-month period falls within one month after the end of the COVID-19 period, the notice can be sent within 4 months after the end of the COVID-19 period.

17. Payment of duty or tax

When the 28-day period to pay duty or tax assessed falls during the COVID-19 period, payment can be made within 28 days after the end of the COVID-19 period. When the 28-day period falls within 21 days after the end of the COVID-19 period, payment can be made within 49 days after the end of the COVID-19 period.

18. Objection against assessment

When the 28-day period to object against an assessment falls during the COVID-19 period, objection can be made within 28 days after the end of the COVID-19 period. When the 28-day period falls within 21 days after the end of the COVID-19 period, objection can be made within 49 days after the end of the COVID-19 period.

19. Determination of objection

When the 4-month period to determine an objection falls during the COVID-19 period, the Registrar-General has 2 months after the end of the COVID-19 period to determine the objection. When the 4-

month period falls within one month after the end of the COVID-19 period, the determination can be made within 3 months after the end of the COVID-19 period.

20. Assessment Review Committee (ARC)

When the 5 working-day period to issue a notice to pay duty or tax following an agreement before the ARC or a decision is made by the ARC falls during the COVID-19 period, the notice can be sent within 21 working days after the end of the COVID-19 period. When the 5 working-day period falls within 10 days after the end of the COVID-19 period, the notice can be sent within 21 working days after the end of that 10-day period.

21. Payment after agreement or decision

When the 28-day period to pay duty or tax following an agreement before the ARC or decision by the ARC falls during the COVID-19 period, payment can be made within 28 days after the end of the COVID-19 period. When the 28-day period falls within 10 days after the end of the COVID-19 period, payment can be made within 38 days after the end of the COVID-19 period.

22. Penalty and interest waiver

The Scheme to waive penalty and interest on payment of duty or tax assessed still outstanding as at 10 June 2019 is extended from 31 March 2020 to 30 June 2020.

Registration Duty

23. Presentation of deed and registration of document

When the delay to present a deed to the Registrar-General or register a document falls during the COVID-19 period or such period as specified in the Sixth Schedule of the Act after the end of the COVID-19 period, no surcharge or penalty is payable when the deed is presented or the document is registered within the period specified in the Sixth Schedule.

24. Objection against assessment

When the 15-day period to object against an assessment falls during the COVID-19 period, objection can be made within 30 days after the end of the COVID-19 period. When the 15-day period falls within 10 days after the end of the COVID-19 period, objection can be made by registered post within 40 days after the end of the COVID-19 period.

25. Determination of objection

When the 4-month period to determine an objection falls during the COVID-19 period, the Receiver has 2 months after the end of the COVID-19 period to determine the objection. When the 4-month period

falls within one month after the end of the COVID-19 period, the determination can be made within 3 months after the end of the COVID-19 period.

Value Added Tax

1. Zero-rated

VAT at zero-rate as from 24 March 2020 on:

- protective masks against dust, odours and the like of H.S Code 6307.90.30.
- other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters of H.S Code 9020.00.00.
- hand sanitisers of H.S Code 3808.94.10.