



CbCR – Mauritius introduces new penalty for non-compliance

Our Comments

The new penalty regime shows Mauritius' commitment to comply with the OECD's minimum standards of BEPS Action 13 on Country-by-Country Reporting. This further consolidates Mauritius' position as a transparent jurisdiction.

Effective from 4 May 2019, a new penalty for non-compliance with the Country-by-Country Reporting (CbCR) requirements has been introduced amounting to MUR 10,000 (approx. USD 285) per month or part of month. The penalty is capped at MUR 120,000 (approx. USD 3,430).

The fine of MUR 5,000 (approx. USD 142) and imprisonment not exceeding a term of 6 months under the original rules would still apply.

Penalty for deliberately providing inaccurate information

The new rules also introduced a penalty of up to MUR 50,000 (approx. USD 1,430) for deliberate submission of inaccurate information. The penalty also applies where the person is aware of such inaccuracy but does not inform the Mauritius Revenue Authority ('MRA').

The above penalty is payable to the MRA within 28 days of the issue of the claim. However, the MRA may waive the penalty where there is reasonable ground for not complying with the CbCR requirements or providing inaccurate information. Reasonable ground for this purpose, does not include failure to carry out an act either due to insufficient funds or reliance upon another person.

Time limit for penalty claim

The MRA may make a claim for a penalty for non-compliance within a period of 12 months from the date on which the person becomes liable to the penalty.

If a person is found to have deliberately provided inaccurate information, the MRA may make a claim within 12 months from the date on which the inaccuracy first came to their attention but within a period of 3 years from the date on which the person becomes liable to the penalty.

Objection to penalty

An entity which is not agreeable with the penalty may object by lodging written representations to the Assessment Review Committee within 28 days of the date of the claim.

Who does this concern?

CbCR Regulations apply to Multinational Enterprises ('MNE') with an annual consolidated group revenue of or exceeding EUR 750 million. The CbC reports are required to be filed by MNEs having their Ultimate Parent Entity ('UPE') or Surrogate Parent Entity ('SPE') in Mauritius. Where the Mauritius entity of the qualifying MNE group is neither the UPE nor the SPE, the MRA should be notified as appropriate.

The CBCR filing should be done not later than 12 months from the last day of the reporting fiscal year of the MNE group. The regulations shall be effective for reporting fiscal years of MNE groups beginning on or after 1 July 2018.

Need advice? Let's talk



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