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## Embrace the VAT Compliance Evolution in Mauritius: Introduction of E-Invoicing

Prepare your business for a transformative shift in Value Added Tax (“VAT”) compliance. The Mauritius Revenue Authority (“MRA”) is set to unveil the E-Invoicing System, which promises to revolutionize the management of sales invoices and VAT compliance. The Value Added Tax (E-invoicing) Regulations 2023, pertaining to sections 20A and 72 of the VAT Act have been officially published in the government gazette and became effective as of 02 October 2023.

### Key Information:

The rollout of the E-Invoicing System is scheduled as follows:

**Stage 1:** Commencing in early 2024, it applies to companies with an annual turnover surpassing Rs 100 million.

**Stage 2:** Applicable to businesses falling within the annual turnover range of Rs 50 million to Rs 100 million.

**Stage 3:** Encompasses all VAT registered entities.

**Stage 4:** Designed for specific businesses which meet certain defined criteria.

### E-Invoicing System Overview:

The E-Invoicing System, mandated by Section 20A(1) of the Value Added Tax Act, is designed to efficiently handle transaction data; encompassing reception, storage, monitoring, and the seamless transmission of fiscal data to the Electronic Business System (“EBS”). This essential functionality facilitates the issuance of fiscal invoices.

The E-Invoicing System is composed of two integral components:

#### a. Electronic Business System:

- Businesses required to issue fiscal invoices must acquire an EBS from an MRA-registered EBS Solution Provider. The chosen EBS must meet technical specifications approved by the MRA.
- Installation of necessary networking equipment and software to enable EBS connectivity with the Invoice Fiscalisation Platform (“IFP”).
- Ensure data connectivity with a network service provider to facilitate instant fiscalization of transactions according to MRA standards.
- Prohibition on using unregistered billing systems and relocating EBS without notifying the MRA.
- Maintain compliance with functional and technical specifications as specified by the MRA.

**b. Electronic Business System:**

- The IFP, operated by the MRA, manages EBS registration, status changes and deregistration.
- Authentication of every EBS transmitting transaction data.
- Receives, records and monitors transaction data.
- Generation of Invoice Registration Numbers (IRN) and QR codes for fiscalized invoices, with corresponding fiscal data sent back to the EBS.
- Ensuring the privacy and integrity of digital certificates and signatures.

**EBS Registration by Taxpayers:**

- Taxpayers should acquire EBS from MRA-registered EBS Solution Providers.
- Taxpayers who develop their own Enterprise Resource Planning System (“ERP”) are obliged to submit an application to the MRA for the registration of every EBS connected to the ERP.
- Once the EBS is registered, the MRA provides it with a distinct identification number.

**Specification of Fiscal Invoices:**

Fiscal invoices must include essential details, such as:

- invoice type;
- transaction type;
- method of payment;
- EBS registration number;
- Product/service details including name, product code, unit price and quantity;
- total price;
- applicable VAT rates and amount;
- details of the customer;
- details of the supplier; including name, BRN, VAT Registration Number and identification of the business location;
- issuance date;
- sequential serial number;
- QR code, and
- invoice registration number.

**Why Is E-Invoicing Vital for Your Business?**

- Effortless VAT compliance.
- Real-time fiscalization with the MRA.
- Streamlined invoicing and financial reporting.

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## Andersen provides Expert Tax Support:

- **Compliance Assurance:** Our professionals closely monitor the MRA's E-Invoicing technical specifications to ensure that your accounting and billing systems are aligned with the requirements.
- **Customized Solutions:** We collaborate with registered EBS Solution Providers to provide you with a tailored system which matches your tax needs and business operations.
- **Testing and Validation:** We test your transactions to ensure VAT compliance.
- **Tax Advisory:** We provide continuous support to ensure that your business model is tax efficient.

## Prepare for the Future:

Stay well-informed about the evolving landscape of VAT compliance in Mauritius. Get in touch with us today for tailored VAT advisory and support. We are committed to facilitating a smooth and advantageous transition for your business. Don't be caught unprepared by shifting VAT regulations. Act now to proactively position yourself for the future of taxation in Mauritius and stay ahead of the game!

You may also access our previous newsletter which introduces the e-invoicing project by the MRA by clicking [here](#).

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