

GUIDELINES

Refund of VAT on Construction undertaken by NGOs under Programmes approved by the NEF

- 1.0. The following guidelines have been developed for the implementation of the following measure announced at Paragraph 183 of the Budget Speech 2009, namely: **“to support efforts of NGOs Government will refund VAT on construction undertaken by NGOs under Programmes approved by NEF”**.
- 2.0. Construction projects will be considered for approval if they have started on or after 1st July, 2009. Renovation or extension of existing infrastructure can also be considered provided the project is approved by the NEF.
- 3.0. The purpose of the construction projects must be directly related to poverty alleviation and socio-economic empowerment of vulnerable groups. Such projects should be run on a not-for-profit, i.e. any income earned is ploughed back to provide support to beneficiaries and may cover, inter alia the following areas:
 - Education (formal and informal)/Child care/vocational training.
 - Elderly care.
 - Health care (e.g. a fitness & health centre for elderly people or for undernourished children).
 - Social housing.
 - Sports activities.
 - Women in distress (e.g. shelter for battered children and women).
 - Facilities for micro-entrepreneurs (incubator, training centre etc.)
 - Rehabilitation of drug addicts.
 - Promotion of arts & craft.
- 3.1. Specific construction projects under the above areas can include the following:
 - Construction of child care/pre-primary schools.
 - Construction of Centres – school for handicapped children to develop their academic abilities.

- Construction of Centres for Women empowerment (Incubator/ SME units etc.)
- Construction of Centres for rehabilitation of drug or other abuses.
- Construction of facilities to assist handicapped people to have access to training courses (e.g. specialised toilet facilities, ramp, wheel chair facilities, etc.)
- Construction of homes for elderly care for low income groups and not to be run on a commercial basis.
- Construction of social housing for vulnerable groups.

4.0. The refund will apply to construction costs on which VAT has been charged provided at least 3 quotations have been obtained or some other device (e.g. a tender) was conducted for selecting the builder. For projects above Rs 2m, a certificate from a certified Quantity Surveyor should be produced.

5.0. All applications must be submitted to NEF on the prescribed Form before the construction starts.

The following documents should be submitted with the application:

- Registration Certificate from Registrar of Association.
- List of Office Bearers of the NGO for the current year.
- Approved Account filed with the Registrar for last two years.
- Building permit, construction Plan and approval from relevant authorities.

6.0 Once a project is approved, the NEF will inform the NGO, by means of a letter, with copy to the MRA. The NGO will then submit its application for refund of VAT to the MRA.

The Application Form is downloadable from the NEF Website: www.nef.mu

For further information, phone NEF on 405 5100

National Empowerment Foundation

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