



MALDIVES
INLAND REVENUE
AUTHORITY

How to fill in the BPT Return - Insurance Companies (MIRA 305)

This is a step-by-step guide to help you fill in the BPT Return - Insurance Companies (MIRA 305, version 16.1). Most of your questions will be answered here. If you need more help, call 1415 or send an email to 1415@mira.gov.mv

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Read the following instructions before you read the rest of the guide.

1. Insurance companies registered with MIRA under the Tax Administration Act are required to file a BPT return once a year.
2. Round off all figures on your return to the nearest whole number.
3. We will issue a voucher when you file your return. Keep it for future reference. Do keep a copy of the return you file too.
4. Pursuant to MIRA's circular number 220-TP/CIR/2015/18 dated 22 November 2015, taxpayers whose annual turnover is equal to or more than MVR 100 million must file their tax returns via our online portal "MIRAconnect". For more information on how to file your return online, you may refer to our MIRAconnect Guide (MIRA M822), which is available at <https://cutt.ly/H9UZEXK>.
5. Do NOT email your return. We will not be able to accept tax returns sent via email.

How to fill in the BPT Return-Insurance Companies

Before you start populating the figures, you must fill in the following information in the box at the top of your return:

- **BPT TIN (Taxpayer Identification Number):** Your TIN is a unique identification number issued to you when you register with MIRA under the Tax Administration Act. In this box, enter the TIN as shown on the Notification of Registration issued to you. Your return will only be accepted with the correct TIN.
- **Taxpayer Name:** In this box, enter the name of the taxpayer as shown on the Notification of Registration. If the taxpayer name does not match the TIN, the return will be rejected.
- **Accounting Period:** This is the start date and end date of the accounting period covered by your return. Your accounting period is stated on the Notification of Registration. This period must be adopted in the financial statements which are submitted along with the return.
- **Auditor Registration Number:** Enter here the registration number of the auditor who audited your financial statements. Fill in this box if you are required to appoint an auditor. If not, leave this box blank.

Example

BPT TIN (Taxpayer Identification Number) 1 2 3 4 5 6 7 B P T 0 0 1 <small>Your TIN as it appears on your Notification of Registration</small>	Taxpayer Name Dhondheeni Insurance Pvt Ltd <small>Your name as it appears on your Notification of Registration</small>
Accounting Period 0 1 0 1 2 0 1 6 3 1 1 2 2 0 1 6 <small>From To These are the dates specified in your financial statements</small>	Auditor Registration Number A210 <small>Registration number of the auditor who audited your financial statements</small>

You can now proceed to complete the remainder of your return. You must complete pages 2 to 9 before completing the rest of page 1.

Item I: What is the basis of preparing your accounts?

This is the basis of preparing your accounts, which you have elected under section 8(c) or (d) of the BPT Regulation.

- (a) **Accrual basis:** Tick here if your total turnover for the year is more than MVR 10 million, or it is less than MVR 10 million but you have chosen to prepare your accounts on accrual basis or you are no longer exempt from using accrual basis to prepare your accounts under paragraph 11 of the Tax Ruling TR:2017/B57.

Under accrual accounting, income and expenses are recognized when they become due regardless of the date of receipt or payment. If accrual basis is adopted, accounts must be prepared in accordance with:

- International Financial Reporting Standards (IFRS); or
- IFRS for SMEs; or
- AAOIFI accounting standards.

- (b) **Cash basis:** Tick here if you are exempt from using accrual basis of accounting and you have chosen to prepare your accounts on cash basis. Under cash basis accounting, income is recognized when cash is received and expenditure is recognized when cash is paid.

Item II: What is your presentation currency?

Presentation currency refers to the currency in which you prepare your financial statements. If your functional currency (i.e. the currency of the primary economic environment in which you operate) is:

- Rufiyaa, then your presentation currency must be **Rufiyaa**.
- United States Dollar, then your presentation currency must be **United States Dollar**.
- A currency other than Rufiyaa or United States Dollar, then your presentation currency can be **either Rufiyaa or United States Dollar**.

If your presentation currency differs from your functional currency, you must translate your financial statements by applying the principles in International Accounting Standard 21 (The Effects of Changes in Foreign Exchange Rates), using an exchange rate within $\pm 2\%$ of the rate published by the Maldives Monetary Authority, on the transaction date.

Item III: Type of audit opinion

State here the audit opinion expressed in your Auditors' Report.

- (a) **Unqualified:** Tick here if the audit opinion is an unqualified opinion.
- (b) **Qualified:** Tick here if the audit opinion is a qualified opinion.

- (c) **Disclaimer:** Tick here if the audit opinion is a disclaimer opinion.
- (d) **Adverse:** Tick here if the audit opinion is an adverse opinion.
- (e) **Not required to audit:** Tick here if you are not required to audit the financial statements. You are not required to audit your financial statements if your total turnover for the year is less than MVR 10 million.

Item IV: Record keeping

State here the type of record keeping system used in recording your business transactions.

- (a) **Computerized:** Tick here if you are having a fully computerized record keeping system.
- (b) **Semi-computerized:** Tick here if you are using computers only to some extent to maintain your records.
- (c) **Manual:** Tick here if your business records are prepared manually.

Item V: Number of employees at the end of the accounting period

Write the number of Maldivian employees and expatriate employees, which you employed at the end of the accounting period, separately in the spaces provided.

Item VI: Details of subsidiaries which are within the charge to BPT

This table is to be filled by holding companies only.

- In the first column, write the name of the subsidiary company.
- In the second column, write the subsidiary company's TIN.
- In the third column, write the percentage of shareholding in the subsidiary held by the holding company at the end of the accounting period.

You may use additional sheets if necessary.

Item VII: Details of financial interest in any shares outside the Maldives

You are required to provide details of *all* private limited companies, and those public limited companies in which you hold more than 5% of shares.

- In the first column, write the name and address of the entity in which you hold the interest.
- In the second column, write the country in which the company was incorporated.
- In the third column, write the initial cost of investment in the company by your company.

- In the fourth column, write the percentage of your investment in the company.

You may use additional sheets if necessary.

Item VIII: Details of immovable property

Immovable property refers to buildings, warehouses, factories, land, uninhabited islands, lagoons, reefs, reef knolls, permanent structures and any other such property.

If you are a resident in the Maldives, list all immovable property in and outside the Maldives. If you are a non-resident with a permanent establishment in the Maldives, list all immovable property that relate to your operations in the Maldives.

- In the first column, write the address of the immovable property (omitting the country).
- In the second column, write the country in which the immovable property is located.
- In the third column, write the total cost of the investment in the immovable property.

You may use additional sheets if necessary.

Item IX: Details of bank accounts

If you are a resident in the Maldives, provide details of both local and foreign bank accounts, including accounts held jointly.

If you are a non-resident with a permanent establishment in the Maldives, provide details of bank accounts which are used in your operations in the Maldives only.

- In the first column, write the name of the bank account.
- In the second column, write the bank account number.
- In the third column, write the currency of the bank account.
- In the fourth column, write the name and address of the bank where the account is held.

You may use additional sheets if necessary.

General insurance business and life insurance business

There are two parts to the calculation of an insurance business's taxable profits in the BPT Return: taxable profits from general insurance business and taxable profits from life insurance business.

In computing your taxable profit, you must include:

- income from general insurance business derived ONLY from the Maldives, and
- ONLY investment income from your life insurance business, which is derived in the Maldives and outside the Maldives.

If you conduct ONLY general insurance business, you must apportion your indirect expenditure on an acceptable fair and reasonable accounting basis between your:

- general insurance business income derived from the Maldives, and
- general insurance business income derived outside the Maldives.

If you conduct ONLY life insurance business, you must apportion your indirect expenditure on an acceptable fair and reasonable accounting basis between your:

- investment income derived from your worldwide life insurance business, and
- other income derived from your worldwide life insurance business.

If you conduct BOTH general insurance business and life insurance business, you must apportion your indirect expenditure on an acceptable fair and reasonable accounting basis between your:

- general insurance business income derived from the Maldives,
- general insurance business income derived outside the Maldives
- investment income derived from your worldwide life insurance business, and
- other income derived from your worldwide life insurance business.

General insurance business

Complete Boxes 1 to 54 if you carry on a general insurance business only or both a general insurance business and a life insurance business. Boxes 1 to 54 relate to your *general* insurance business income derived from the Maldives ONLY.

Item 1: Gross premium income

Enter the total amount of all premium revenue derived from your general insurance business.

Item 2: Premiums refunded to insured parties

Enter the amount of premiums included in Box 1 which were subsequently refunded to your policyholders.

Item 3: Reinsurance premiums

Enter the amount of insurance premiums that you paid to other insurers for reinsurance of the insurance cover you sold to your policyholders.

Item 4: Box 2 plus Box 3

Enter the total amount of premiums refunded to policyholders (Box 2) and re-insurance premiums paid other insurers (Box 3).

Item 5: Box 1 minus Box 4

Subtract the total amount of premiums refunded to policyholders and re-insurance premiums paid other insurers (Box 4) from your gross premium income (Box 1). This difference is your net premium income after taking account of re-insurance premium payments.

Item 6: Claims paid

Enter the total amount of claims actually *paid* during the year.

Item 7: Claims reported and payable but unpaid at the end of the year

Enter the amount of claims reported by policyholders, which you consider payable, but have not been paid by the end of the year.

Item 8: Claims reported and payable but unpaid at the beginning of the year

Enter the amount of claims reported and unpaid at the beginning of the year. This figure should be the same as claims reported and payable but unpaid at the end of last year, i.e. the figure in Box 7 of last year's BPT return.

Item 9: Box 7 minus Box 8

Subtract the amount of claims reported and unpaid at the beginning of the year (Box 8) from the amount of claims reported and unpaid at the end of the year (Box 7). If the difference is:

- a positive amount, it shows the increase in claims reported and unpaid between the beginning of the year and the end of the year.
- a negative amount, it shows the decrease in claims reported and unpaid between the beginning of the year and the end of the year. In this case, put a negative sign in front of the figure in Box 9.

Item 10: Box 6 plus Box 9

Add the total of claims paid during the year (Box 6) and the movement in claims reported and unpaid between the beginning of the year and the end of the year (Box 9). This gives total claims paid during the year and net claims payable at the end of the year. If the figure in Box 9 is negative, subtract Box 9 from Box 6.

Item 11: Re-insurance recoveries

Enter the amounts of claims made by your policyholders which you have recovered from your reinsurers.

Item 12: Expected net recoveries in respect of claims made

Enter the net amount of recoveries (other than re-insurance recoveries) which you expect to make in respect of policyholders' claims, e.g. gross proceeds from the sale of written-off property less costs associated with the sale.

Item 13: Box 11 plus Box 12

Enter the total of reinsurance recoveries (Box 11) and expected net recoveries in respect of claims made (Box 12). This figure is the amount of your policyholders' claims that you expect to recover from other parties.

Item 14: Box 10 minus Box 13

Subtract the total amount that you expect to recover (Box 13) from total claims paid and payable (Box 10). This figure is the net amount of claims made by your policyholders that you expect to bear.

Item 15: Box 5 minus Box 14

Subtract the amount of claims you expect to bear (Box 14) from net premium income (Box 5). This figure shows your net premium and claims position.

Item 16: Unexpired risk reserve at the end of the year

Enter the balance of your unexpired risk reserve at the end of the year. Your unexpired risk reserve is the amount that you have set aside in your financial accounts to provide for claims and costs that you expect will result during unexpired future periods of cover.

Item 17: Unexpired premium reserve at the end of the year

Enter the balance of your unexpired premium reserve at the end of the year. Your unexpired premium reserve is amount shown in your financial statements as premium revenue which you have received or is payable to you during the year, but relates to a future year.

Item 18: Box 16 minus Box 17

Enter the difference between your unexpired risk reserve at the end of the year and your unexpired premium reserve at the end of the year. This figure shows the extent that your unexpired premium reserve is expected to cover your unexpired risks at the end of the year. If this figure is negative, put a negative sign in front of the figure in Box 18.

Item 19: Unexpired risk reserve at the beginning of the year

Enter the balance of your unexpired risk reserve at the beginning of the year. This figure should be the same as the unexpired risk reserve balance in your financial accounts at the end of last year.

Item 20: Unexpired premium reserve at the beginning of the year

Enter the balance of your unexpired premium reserve at the beginning of the year. This figure should be the same as the unexpired premium reserve balance in your financial accounts at the end of last year.

Item 21: Box 19 minus Box 20

Enter the difference between your unexpired risk reserve at the beginning of the year and your unexpired premium reserve at the beginning of the year. This figure shows the extent that you expected your unexpired premium reserve to cover your unexpired risks at the beginning of the year. This figure should be the same as that shown in Box 18 of last year's BPT return.

If this figure is negative, put a negative sign in front of the figure in Box 21.

Item 22: Box 18 minus Box 21

Subtract the difference between the sum of your unexpired risk reserve at the beginning of the year and your unexpired premium reserve at the beginning of the year (Box 21) from the difference between the sum of your unexpired risk reserve at the end of the year and your unexpired premium reserve at the end of the year (Box 18). This figure shows the net movement during the year in the excess of unexpired risk over unearned premiums.

If this figure is negative, put a negative sign in front of the figure in Box 22.

Item 23: Box 15 minus Box 22

Subtract the net movement during the year in the excess of unexpired risk over unearned premiums (Box 22) from your net premium and claims position (Box 15). This figure gives your net premium and claims position after taking account of movements in your unexpired risk and unexpired premium reserves between the beginning of the year and the end of the year.

If this figure is negative, put a negative sign in front of the figure in Box 23.

Item 24: Estimated claims incurred but not reported (IBNR) at the end of the year

Enter the estimated amount of claims that you expect to have incurred but have not been reported at the end of the year.

Item 25: Estimated claims incurred but not reported (IBNR) at the beginning of the year

Enter the estimated amount of claims that you expected to have been incurred but were not reported at the beginning of the year. This figure should be the same as estimated claims incurred but not reported (IBNR) at the end of the year in Box 24 of last year's BPT return.

Item 26: Box 24 minus Box 25

Subtract the estimated claims IBNR at the beginning of the year (Box 25) from the estimated claims IBNR at the end of the year (Box 24). This figure gives the net increase or decrease in estimated claims IBNR between the beginning of the year and the end of the year.

If this figure is negative, put a negative sign in front of the figure in Box 26.

Item 27: Box 23 minus Box 26

Subtract the net increase or decrease in estimated claims IBNR between the beginning of the year and the end of the year (Box 26) from the net premium and claims position after taking account of movements in your unexpired risk and unexpired premium reserves between the beginning of the year and the end of the year (Box 23). This figure gives your net premium and claims position after taking account of movements in your unexpired risk and unexpired premium reserves, and your estimated claims IBNR, between the beginning of the year and the end of the year.

If this figure is negative, put a negative sign in front of the figure in Box 27.

Item 28: Agency expenses

Enter the total amount of expenses which you incurred related to the agencies which sell your insurance products.

Item 29: Allowable head office expenses

Enter an amount here only if you are a permanent establishment of a non-resident.

“Head office” refers to the head office of the person that owns the permanent establishment, or any other permanent establishment of the person that is situated outside the Maldives, or any other person associated with the person.

Head office expenses include expenditure on consultants, research and development, data processing, the right to use intangible or intellectual property, general administration costs and other such expenditure incurred by your head office which relates to the permanent establishment in the Maldives.

The maximum amount which you can deduct as head office expense is the *lesser* of:

- (a) The amount of head office expenses deducted when calculating your accounting profit;
or
- (b) 3% of the gross income from trading operations of the permanent establishment.

In Box 29, state the lower of (a) and (b).

Item 30: *Box 28 plus Box 29*

Add agency expenses (Box 28) and allowable head office expenses (Box 29).

Item 31: *Box 27 minus Box 30*

Subtract total agency and head office expenses (Box 30) from net premium and claims position after taking account of movements in your unexpired risk and unexpired premium reserves, and your estimated claims IBNR, between the beginning of the year and the end of the year (Box 27). This figure gives taxable gross profit from general insurance operations after deducting agency expenses and allowable head office expenses.

Investment and other income

Boxes 32–39 incorporate income from investment and other activities, which are not directly related to core general insurance trading operations.

Item 32: Dividends

Enter total dividend income.

Item 33: Dividends derived from resident companies

State here the total amount of dividends which you have received or is receivable from Maldives-resident companies and are included in Box 32. Under [Tax Ruling TR-2012/BI7](#), these dividends are not taxable. Please attach explanations if you have entered any figure in this box.

Item 34: *Box 32 minus Box 33*

Subtract dividends derived from resident companies (Box 33) from total dividends received (Box 32). This figure shows taxable dividends received from companies which are not residents of the Maldives.

Item 35: Interest

Enter total interest income.

Item 36: Other income

Enter total other income.

Item 37: Balancing charge

The balancing charge is the taxable amount of gains on disposal of assets which have been subject to the capital allowance (see Item 41: Capital allowance).

In Box 37, enter the total amount in Column 14.1 of your Statement of Balancing Allowance / Balancing Charge. To derive this figure, fill in the **STATEMENT OF BALANCING ALLOWANCE / BALANCING CHARGE** on page 9 of the return, for assets disposed of during the accounting period.

Statement of Balancing Allowance / Balancing Charge

The amounts for each column must first be calculated *separately for individual assets* and the sum for the category must be posted in each column. Do NOT sum up the value for each category of asset before making the calculations separately for individual assets, as that will distort the balancing allowance / balancing charge figure.

- **Column 8: Cost of disposed asset:** This is the actual cost of the asset disposed of.
- **Column 9: Accumulated capital allowance claimed for the disposed asset:** This is the accumulated capital allowance claimed after the commencement of the Act (18 July 2011) for the asset disposed of.
- **Column 10: Written down value:** This is the cost of the asset *minus* the accumulated capital allowance claimed and the notional adjustment made under Section 46 of the BPT Regulation (see Item 41: Capital allowance).
- **Column 11: Disposal value:** This is the proceeds from disposal of the asset, i.e. the consideration from the sale of the asset *less* expenses directly related to the sale of the asset.
- **Column 12: Gain/loss on disposal:** This is the disposal value of the asset (Column 11) *minus* the written down value of asset (Column 10).
- **Column 13: Capital gain:** This is the disposal value of the asset (Column 11) *minus* the cost of the disposed asset (Column 8). If the answer is negative, enter zero.
- **Column 14: Balancing charge / (Balancing allowance):** This is the amount of capital gain (Column 13) *plus* lower of the accumulated capital allowance claimed for the asset disposed of (Column 9) and the gain/loss on disposal of the asset (Column 12). If the answer is positive, enter the amount as a balancing charge in Column 14.1.

Total Column 14.1 and transfer the figure to Box 37.

Item 38: Realized gains on disposal of assets not subject to balancing charge

Enter realized gains on assets which you have disposed of, and are not subject to the balancing charge. Please attach explanations and supporting documents.

Item 39: Sum of Boxes 34 to 38

Total Boxes 34 to 38. This figure is total income and gains from investments and non-insurance trading operations.

Deductions not allowed

Item 40: Expenses incurred to generate receipts which have suffered withholding tax

Enter an amount here only if you are a permanent establishment of a non-resident.

This is the total amount of expenditure incurred by you, which has been included as a deductible expense elsewhere in this return, to earn income from which withholding tax (WHT) has been deducted by the payer at the time of payment of the income to you.

Deductions allowed

Boxes 41 to 52 show other amounts deductible in calculating the taxable profit from your general insurance business. These are the expenses which can be deducted subject to certain restrictions.

Boxes 41 to 53 must be written with a negative sign in front.

Item 41: Capital allowance

A capital allowance is a tax deduction given to recognize that a portion of the cost of assets used in the accounting year was incurred to produce taxable profits for the year. It is similar to accounting depreciation, for which a tax deduction is not available under Section 11 of the BPT Act.

In Box 41, enter the total amount in Column 7 of your Statement of Capital Allowance. To derive this figure, fill in the **STATEMENT OF CAPITAL ALLOWANCE** on page 8 of the return.

You must calculate the amounts referred to in the Statement of Capital Allowance for *each individual asset separately* and enter the total amounts for each asset category. Please provide supporting documents and explanations which clearly show how you arrive at the figures entered on the Statement of Capital Allowance.

Statement of Capital Allowance

- **Column 1: Rate (%)**: These are the capital allowance rates specified under Section 50 of the Regulation.

- **Column 2: Cost of assets:** This refers to the cost of the assets which have positive written-down values on the commencement of the accounting period *plus* cost of assets acquired during the accounting period (which have been used for more than half of the accounting period), *minus* cost of assets disposed of during the accounting period.
- **Column 3: Capital allowance at cost:** This is the capital allowance per annum based on the capital allowance rates.
 - For tangible assets: Column 1 *multiplied* by column 2.
 - For intangible assets: Cost price of the intangible asset *divided* by its estimated useful life (in years). If an intangible asset has an indefinite useful life, the useful life of the asset must be deemed as 10 (ten) years.
- **Column 4: Notional adjustment:** This is the notional adjustment to the cost of assets held at the date of commencement of the Act (refer to Section 46 of the BPT Regulation).
- **Column 5: Accumulated capital allowance claimed:** This is the total capital allowances claimed for the preceding tax years.
- **Column 6: Written down value:** This is the cost of the assets (Column 2) *minus* the notional adjustment (Column 4) and accumulated capital allowance claimed (Column 5).
- **Column 7: Claimable capital allowance:** This is the lower of:
 - Capital allowance at cost (Column 3), and
 - Written down value (Column 6).

Item 42: Balancing allowance

The balancing allowance is an allowance given for loss on disposal of assets.

In Box 42, enter the total amount in Column 14.2 of your Statement of Balancing Allowance / Balancing Charge. To derive this figure, fill in the **STATEMENT OF BALANCING ALLOWANCE / BALANCING CHARGE** on page 9 of the return, for assets disposed of during the accounting period.

Item 43: Employee welfare expenses allowed under Section 30 of the Regulation

In Box 43, enter the total of payments made:

- (a) to an employee who is incapacitated on medical grounds; or
- (b) to the surviving spouse or children under 18 years of age of a deceased employee; or

- (c) to a fund approved by MIRA and established for the benefit of the employees to receive medical and other welfare support; or
- (d) for the promotion of general employee welfare, without discrimination amongst the employees.

Item 44: Pension expenses allowed under Section 32 of the Regulation

This is the amount you have paid to the Maldives Pension Administration Office (MPAO). You must hold a receipt from MPAO to support this amount.

The maximum deduction allowed per employee is 14% of the employee's salary, being:

- a maximum of 7% of the employee's salary which you are required to contribute under the Maldives Pension Act (Law No. 8/2009), and
- a maximum of 7% of the employee's salary which the employee is required to contribute, if you also pay the employee's contribution on his or her behalf.

Item 45: Irrecoverable debts relating to transactions entered into after the commencement of the Act

Enter the amount of irrecoverable debts written off during the accounting period, which relate to transactions entered into after 18 July 2011.

You can only deduct the whole or part of any debt that has become irrecoverable in respect of a particular transaction under the following circumstances:

- (a) a court has issued a judgment that the whole or part of the debt is irrecoverable, or
- (b) the debtor has been liquidated or adjudged bankrupt, or
- (c) the debt is written off as irrecoverable in accordance with the accounting standard adopted by you.

Item 46: Receipts which have suffered withholding tax

You should enter an amount here only if you are a permanent establishment of a non-resident. This is the total amount of a payment which you have received from which WHT has already been deducted at the correct rate by the payer, and the payer has paid the WHT to MIRA.

Item 47: Loan interest to approved institutions

Approved institutions refer to the banks and financial institutions licensed by the central bank of the country of operation of that bank or financial institution and certain international financial institutions. Refer to [Tax Ruling TR-2012/B2](#) for the list of approved banks and financial institutions.

Enter the full amount of interest paid to such banks and institutions in Box 47.

Item 48: Loan interest to individuals and non-approved institutions at a rate not exceeding 6% per annum

Interest paid to persons other than approved banks and financial institutions can be deducted only up to 6% per annum of the loan amount. In Box 48, enter the amount which is lower of 6% per annum of the principal amount of the loan and the actual amount of interest paid.

Item 49: *Zakat al-mal* allowed under Section 23 of the Regulation

This is the amount of *zakat al-mal* paid during the accounting period to the Ministry of Islamic Affairs or other relevant government authority. You must hold a receipt from the Ministry of Islamic Affairs or other relevant government authority stating the amount of *zakat al-mal* you have paid. In Box 49, enter the total amount stated on the receipt(s).

Item 50: Cost of low-value assets allowed under Section 43 of the Regulation

You may deduct in full the expenditure on the acquisition of a capital asset and like assets acquired at the same time, if the amount does not exceed MVR 5,000. The aggregate of this deduction must not exceed MVR 100,000. The amount deducted here must not be included in Column 2 of the Statement of Capital Allowance on page 8. However, any excess cost of low-value assets over the MVR 100,000 maximum deduction may be included in Column 2. The capital allowance may apply to the excess amount for this and subsequent years.

Item 51: Allowable realised losses on disposal of assets not subject to balancing allowance

These are losses incurred on the realization of assets which are not included in the calculation of the balancing charge on page 9. Please attach explanations and documentation to support the amount in Box 51.

Item 52: Other deductible expenditure incurred in deriving income from general insurance business excluding related party remuneration and donations

This is the total amount of deductible expenses which you have incurred to derive income from your general insurance business, and which you have not deducted elsewhere in your BPT return. If you enter any amount in this box, please attach explanations and supporting documents with the return.

Item 53: *Sum of Boxes 41 to 52*

This is the total of the deductible amounts in Boxes 41 to 52.

Item 54: **Taxable profit from general insurance business**

Add your taxable gross profit from general insurance operations after deducting allowable head office expenses (Box 31), total income from investments and non-insurance trading operations (Box 39), expenses incurred to generate receipts which have suffered WHT (Box 40) and deduct other allowable deductions (Box 53). This figure is your taxable profit from your general insurance business before deducting directors' remuneration and donations.

Life insurance business

Complete Boxes 55 to 75 if you carry on a life insurance business only or you carry on both a life insurance business and a general insurance business. Boxes 55 to 75 relate to your life insurance business. Investment income entered in Boxes 55 to 75 must be from all sources related to your life insurance business.

Add: Investment income

Item 55: Dividends

Enter total dividend income from all sources.

Item 56: Dividends derived from resident companies

State here the total amount of dividends which you have received or is receivable from Maldives-resident companies and are included in Box 55. Under [Tax Ruling TR-2012/B17](#), these dividends are not taxable. Please attach explanations if you have entered any figure in this box.

Item 57: *Box 55 minus Box 56*

Subtract dividends derived from resident companies (Box 56) from total dividends received (Box 55). This figure shows taxable dividends received from companies which are not residents of the Maldives.

Item 58: Interest

Enter total interest income.

Item 59: Other investment income

Enter other investment income from all sources.

Item 60: Gains/(losses) on disposal of investment assets

Enter net gains or losses from the disposal of investment assets during the year. Deduct losses from gains. If the result is a net loss, put a negative sign in front of the figure in Box 60.

Item 61: Sum of Boxes 57 to 60

Add taxable dividends received from companies that are not residents of the Maldives (Box 57), interest income (Box 58), other investment income (Box 59) and net gains on disposal of investment assets (Box 60) – deduct the figure in Box 60 if it is a net loss. Enter the total in Box 61. This figure is total investment income (excluding Maldives-resident company dividends) and net gains on disposal of investments.

Item 62: Less: Management, commission and administrative expenses, each relating to deriving investment income only

Enter management, commission and administrative expenses which you incurred to derive your investment income in Boxes 57 to 60.

Item 63: Box 61 minus Box 62

Subtract management, commission and administrative expenses which you incurred to derive your investment income (Box 62) from total investment income (excluding Maldives-resident company dividends) and net gains on disposal of investments (Box 61). This figure gives net taxable profits from investment activities.

Item 64: Life insurance premiums received in the Maldives

Enter the amount of life insurance premiums that you received in the Maldives.

Item 65: Less: Life insurance agency expenses in the Maldives relating to premiums received in the Maldives

Enter the total amount of agency expenses incurred in the Maldives which relate to life insurance premiums received in the Maldives.

Item 66: Add: Allowable head office expenses relating to premiums received in the Maldives

Enter an amount here only if you are a permanent establishment of a non-resident. The amount entered in Box 66 must be a fair proportion of your company's head office expenses which are attributable to your life insurance business in the Maldives.

Item 67: Box 65 plus Box 66

Add life insurance agency expenses in the Maldives (Box 65) and allowable head office expenses (Box 66). This figure is the total allowable deduction for expenses incurred in deriving life insurance premiums received in the Maldives.

Item 68: Net life insurance income received in the Maldives

Subtract the total allowable deduction for expenses incurred in deriving life insurance premiums received in the Maldives (Box 67) from life insurance premiums received in the Maldives (Box 64). This amount is the net life insurance income which you received in the Maldives after allowing for agency expenses in the Maldives and a proportion of head office expenses.

Item 69: Total life insurance premiums received

Enter total life insurance premiums received from both within the Maldives and outside the Maldives.

Item 70: Total life insurance agency expenses

Enter all agency expenses incurred to derive all life insurance premiums.

Item 71: Total head office expenses

Enter an amount here only if you are a permanent establishment of a non-resident. The amount entered in Box 71 must be a fair proportion of your company's head office expenses which are attributable to deriving your total life insurance premiums received from both within the Maldives and outside the Maldives.

Item 72: Box 70 plus Box 71

This figure is the total of all life insurance agency expenses and head office expenses which are incurred to derive all life insurance premiums received by you.

Item 73: Net life insurance income received

This figure is your life insurance income after the deduction of all life insurance agency expenses and head office expenses incurred to derive all life insurance premiums received by you.

Item 74: Proportion of net life insurance income derived from the Maldives

This fraction is the proportion of all of your net income from life insurance operations that is derived from the Maldives. The number in this box must be between 0 and 1.

Item 75: Taxable life insurance investment income

Multiply the proportion of all of your net income from life insurance operations that is derived from the Maldives (Box 74) by your net taxable profits from investment activities of your life insurance business (Box 63) to get your taxable life insurance investment income, as prescribed in section 14(d) of the BPT Act.

Item 76: Specified profit/(loss)

This figure is the total of your taxable profit from your general insurance business (Box 54) and your taxable life insurance income (Box 75), i.e. your taxable profit from all your insurance businesses.

Remuneration

Item 77: 10% of specified profit

Multiply your specified profit (Box 76) by 0.10. This is the maximum deduction which you are allowed for remuneration paid to related parties. Enter zero in Box 77 if the figure in Box 76 is negative, i.e. if you have a specified loss.

Item 78: Remuneration paid to persons specified in Section 11(c) of Act

This figure is total remuneration or benefits given to persons related to the company, specified in Section 11(c) of the BPT Act, i.e.:

- company directors
- persons related to, or are associates of, directors
- shareholders holding 5% or more of shareholder voting rights
- persons related to, or are associates of, shareholders holding 5% or more of shareholder voting rights
- associates of the company
- partners in partnerships
- persons holding substantial interests in partnerships
- associates of partnerships

- persons who are related to, or are associates of, partners.

If the remuneration or benefit is not paid in money, it must be valued at its open market value. Do NOT include in Box 52 amounts which you enter in Box 78.

Item 79: Allowable remuneration

Enter the lower of 10% of your specified profit (Box 77) or the amount of remuneration paid to related persons (Box 78). This figure is the maximum amount deductible for related-party remuneration.

Item 80: Taxable profit/(loss) before donations

Subtract your deduction for allowable remuneration (Box 79) from your specified profit (Box 76). This gives your profit/(loss) before deducting donations.

Donations made to approved charitable organizations

Donations made to a body, association or public institution which is approved by MIRA and established for the promotion of Islam, relief of the poor, medical relief or education or any other object of similar general public utility are deductible in the calculation of your taxable profit (Refer to [Tax Ruling TR-2014/B38](#)).

The list of MIRA approved bodies, associations and public institutions is available on our website (<https://www.mira.gov.mv/Pages/View/charitiesapproved>). If assets are donated, you can only deduct the cost price of the assets which you have donated within 12 months of their acquisition.

In support of your claim, you must hold a receipt from the organization to which you have made the donation. The maximum amount deductible as donations is 5% of your taxable profit before deducting donations.

Item 81: 5% of taxable profit before donations

Multiply your taxable profit before donations (Box 80) by 0.05. Enter the answer in Box 81. If Box 80 is negative, enter zero in Box 81.

Item 82: Donations made to approved charitable organizations

In Box 82, enter the total amount in Column 4 in your Statement of Donations. To calculate this figure, fill in the **STATEMENT OF DONATIONS** on page 10 of the return.

Statement of Donations

- **Column 1: Date of donation:** This is the date on which you made the donation.
- **Column 2: Name of donee:** This is the name of the body, association or public institution approved by MIRA to which you made the donation.
- **Column 3: Details of donation:** In this column write “Cash”, if the donation was made in money. If the donation was made in kind, write the details of the assets which you donated, including the date of acquisition of the asset and the type of asset.
- **Column 4: Amount of donation:** If the donation was made in money, enter the amount of your donation. If the donation was made in kind, enter the cost of the asset you have donated.

If there is not enough space in the Statement of Donations, you may use additional sheets. Enter the total amount of donations on the additional sheets in Row 15, Column 4.

Total column 4 and transfer the total amount to Box 82.

Item 83: Allowable donations

Enter the amount which is the lower of 5% of taxable profit before donations (Box 81) and donations made to approved charitable organizations (Box 82).

Item 84: Profit/(loss) before adjustments

Subtract allowable donations (Box 83) from your taxable profit/(loss) before donations (Box 80).

Summary of Financial Statements

You must enter the relevant and corresponding figures from your audited financial statements in Boxes 85 to 95.

Item 85: Gross operating revenue

Enter gross revenue from all of your insurance business trading operations.

Item 86: Gross non-operating revenue

Enter gross revenue from all sources that are *not* insurance business trading operations.

Item 87: Total revenue from all sources

This is the total of gross operating revenue (Box 85) and gross non-operating revenue (Box 86).

Item 88: Gross profit

This figure is the amount of gross profit shown in your Statement of Profit or Loss and Other Comprehensive Income.

Item 89: Total assets

This figure is the total amount of assets shown in your Statement of Financial Position.

Item 90: Total non-current assets

This figure is the total amount of non-current assets shown in your Statement of Financial Position.

Item 91: Total liabilities

This figure is the total amount of liabilities shown in your Statement of Financial Position.

Item 92: Trade receivables

This figure is the amount of trade receivables (i.e. premiums and other receivables arising from your insurance business) shown in your Statement of Financial Position.

Item 93: Non-current liabilities

This figure is the total amount of non-current liabilities shown in your Statement of Financial Position.

Item 94: Inventory

This figure is the total amount of inventory shown in your Statement of Financial Position.

Item 95: Total equity

This figure is the total amount of shareholders' equity shown in your Statement of Financial Position.

Now please go back to page 1.

Computation of Tax Payable

Item A: Profit/(loss) before loss relief

Transfer the amount in Box 84 to this box.

Item B: Loss carried forward from previous tax year

If you incurred a loss last year, or are carrying losses forward from earlier years, enter the figure in Box B. If you enter an amount in this box, you must attach explanations and supporting documents.

Item C: Loss of holding company or 99% owned subsidiaries

This is the amount of loss (or part of the loss) incurred by a company in a group of companies which may be offset against the amount in Box A. In accordance with Section 37 of the BPT Regulation, this amount can be deducted only by:

- a holding company that owns 99% of the ordinary share capital of the company that incurred the loss; or
- a company in which at least 99% of the ordinary share capital is directly owned by the holding company; or
- a company in which at least 99% of the ordinary share capital is directly owned by the company that incurred the loss.

The total amount deducted as a loss from the profit of companies in that group of companies under Section 37 of the BPT Regulation cannot exceed the total amount of loss incurred by the loss-making company.

Profit-making companies within the group of companies must commence the deduction of losses incurred by a loss-making company within that group from the year in which the loss was incurred, and an earlier loss must be set off before a later loss.

Item D: Taxable profit/(loss)

Subtract your loss carried forward from the previous tax year (Box B) and losses of your holding company or 99% owned subsidiaries (Box C) from your profit or loss before allowing for loss relief (Box A). This figure is your taxable profit or loss before applying the tax-free exemption.

Item E: Tax-free threshold

For companies that are members of a group of companies, the tax-free threshold must be divided among the companies in the group, which are subject to BPT. Use the formula below to calculate your tax-free threshold:

$$\frac{\text{Number of days in your accounting period}}{365} \times \frac{\text{MVR 500,000}}{A + I}$$

If you are a company in a group of companies “A” is the number of subsidiaries in the group which are within the charge to BPT. If not A is zero.

If your return is completed in United States Dollar, replace MVR 500,000 with USD 32,425. For BPT purposes, the number of days in any tax year is 365 regardless of whether or not the year is a leap year.

Item F: Profit subject to tax

Since only the excess amount after deducting the threshold is subject to tax, deduct the amount of the tax-free threshold (Box E) from your taxable profit/(loss) (Box D).

Item G: Tax liability for the year

The 15% tax rate generally applies to insurance companies. Tick the 15% box and multiply your profit subject to tax (Box F) by 0.15. However, if your company meets all of the conditions below, tick the 5% box and multiply your profit subject to tax (Box F) by 0.05:

- The company is registered under the Companies Act of Maldives (Law Number 10/96) and is not a resident outside the Maldives.
- The company derived income during this tax year from its insurance business carried on *wholly and exclusively outside* the Maldives and from investments made with *non-residents only*.
- The company does not carry on any other business or have any source of income other than from its insurance business and investments.

Item H: Foreign tax credit

Enter the amount of tax that you have paid in foreign countries.

In accordance with Section 53 of the Tax Administration Act, the maximum amount of foreign tax credit cannot exceed 15% (or 5%, if you ticked 5% in Box G) of the amount of foreign income subject to foreign tax, which is included in the calculation of your taxable profit.

If you enter an amount in this box, you must attach explanations and supporting documents, including a certificate from the tax administration of each foreign country in which you paid tax. The certificate must certify the amount of tax which you paid on the profits which you derived in the foreign country, the amount of the profits, and the year to which the tax payment relates.

Item I: Tax payable for the year

Subtract your foreign tax credit (Box H) from your tax liability for the year (Box G). This is the amount of tax payable for the year after allowing for foreign tax paid.

Item J: First interim payment

Enter the amount of tax that you have paid as your first interim payment for the year.

Item K: Second interim payment

Enter the amount of tax that you have paid as your second interim payment for the year.

Item L: Final payment

Deduct the total of the first interim payment (Box J) and the second interim payment (Box K) from tax payable for the year (Box I) to calculate the balance of tax which you are required to pay to MIRA for the year. This is the amount of your final instalment of tax for the year.

Item M: Amount being paid

This is the amount of tax that you are actually paying when you submit this return. If the amounts in Boxes L and M are different, you must provide an explanation in the space provided.


Document Checklist

Tick the documents that you have attached with the return. MIRA has the right to reject your return if you submit it without your financial statements and supporting documents for Boxes B, C, H, 33, 38, 51, 52 and 56. Insurance companies have to submit Directors report along with other documents.

Declaration

If you are filing your return “offline”, it must be signed by the managing director or an authorized signatory of the company registered with MIRA. You must also stamp company official seal in the relevant box.

If there are any issues with the Return, we will contact the person who has signed the declaration.

Example			
Declaration			
I declare that the information in this Return is true and correct and represents my assessment as required under the Business Profit Tax Act (Law Number 5/2011), and that I am authorised to sign this Return.			
Mr	Ahmed Asim		7925756
<small>Title</small>	<small>First Name</small>	<small>Other Names</small>	<small>Contact Number</small>
Managing Director		2 6 0 4 2 0 1 7	Ahmed Asim 
<small>Designation</small>		<small>Date</small>	<small>Signature & Seal</small>

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FOR QUERIES

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