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MALDIVES
INLAND REVENUE
AUTHORITY

Tax Guide for Foreigners Doing Business in the Maldives

MIRA M829

www.mira.gov.mv

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Taxpayers can rely on this guide as to the MIRA's interpretation of the relevant tax laws and regulations. If you do not understand anything in this guide or have queries related to your particular circumstances, call 1415 or send an email to 1415@mira.gov.mv.

I. Introduction

This guide is aimed at foreigners who wish to conduct business activities in the Maldives. It outlines the business registration requirements of such persons as well as their Maldives tax obligations.

In addition to the taxes covered in this guide, foreign investors may also be required to pay other non-tax charges and levies to Maldives Inland Revenue Authority (MIRA) or other government authorities, such as land rent, stamp duty, foreign investment administration fee, etc. This guide does not cover such non-tax charges and levies.

2. Business registration with the Ministry of Economic Development

The Business Registration Act requires foreign individuals intending to conduct any business activity in the Maldives to register either a company or a partnership with the Ministry of Economic Development (MED). This requirement can be fulfilled by setting up a company or a partnership in the Maldives, or by “re-registering” a company incorporated in a foreign jurisdiction, with the MED. Re-registration simply refers to the process of registering your company with the MED as a foreign company doing business in the Maldives, as required under the Companies Act of the Maldives; it does not mean that you are incorporating a new company in the Maldives.

The Business Registration Act provides that a company or partnership registered or re-registered as explained above can carry on a business activity in the Maldives only if that business activity meets the following criteria:

- It is a professional service in the field of law, health care, accounting, taxation or financial services; or
- If the above criterion is not fulfilled, its share capital exceeds USD 1 million and it pays a security deposit of USD 100,000 to the Government; or
- It is a wholesaler; or
- It has a certificate of creditworthiness issued by a bank approved by the Maldives Government; and
- It is not a retailer engaged in small business or any kind of retail trade.

Find out more

Laws, regulations, business registration forms, and more information on setting up a business in the Maldives are available at <http://www.trade.gov.mv>.

3. Registration with MIRA

In addition to the registration of your business with MED, the company or partnership must also register with MIRA for Income Tax.

You will not be required to submit a separate form to MIRA for registration as it will be done together with your business registration process at MED. Once your registration process is completed, MIRA will provide you with your Taxpayer Identification Number (TIN) which you must quote on all your correspondences with MIRA.

In some cases, it is possible that you are not required to register with MED under the Business Registration Act but still must register with MIRA. In such cases, you must submit a Registration and Change of Information (MIRA I 17) form to MIRA.

In addition to your registration for Income Tax purposes, you may also be required to register for separate tax types if you qualify for such registration (e.g. Goods and Services Tax, Green Tax).

Once you register with MIRA, you are required to maintain business records in accordance with the applicable laws and regulations.

Find out more

A general guide to record-keeping is available at <https://shorturl.at/rgS9D>.

4. Major taxes imposed in the Maldives

One of the more remarkable developments of the Maldivian economy in recent times is the introduction of a broad-based tax system following the establishment of MIRA on 2 August 2010. During the past 10 years, effective taxation policies have brought rapid economic success to the Maldives, in turn allowing the country to invest in its social development.

Income tax (including non-resident withholding tax (NWT), Capital Gains Withholding Tax (CGWT) and employee withholding tax (EWT)) and Goods and Services Tax (GST) are the two tax types that all businesses, whether owned by a local or a foreigner, must be well acquainted with. In addition, Green Tax and Airport Taxes and Fees are also major taxes that investors need to be aware of.

Income Tax

Overview

Income Tax is levied under the Income Tax Act (Law Number 25/2019). The act was published in the Government Gazette on 17 December 2019 and taxation under the act commenced on 1 January 2020. However, remuneration came within the purview of income tax effective from 1 April 2020. The Business Profit Tax regime imposed under the Business Profit Tax Act has been repealed with the commencement of Income Tax.

Persons effected by this Act are:

- Any person who is resident of the Maldives, who derives income from the Maldives or elsewhere
- Any person who derives income from the Maldives, whether or not that person is a resident of the Maldives
- Any person who derives income from Maldives, where that person is temporary resident in the Maldives

Tax residency

Tax residents of Maldives are taxed on their worldwide income, whereas non-residents are taxed on the income derived from Maldives.

“Resident” means if you are;

- Individual
 - The person’s permanent place of living is in the Maldives; or
 - The person is present in the Maldives or intends to be present in the Maldives for an aggregate of 183 days or more in any 12 month period commencing or ending during a tax year; or

- The person is an employee or official of the Government of the Maldives and is posted overseas during a tax year.
- Company
 - Company is incorporated in the Maldives; or
 - Company has its head office in the Maldives; or
 - The control and management of the company is in the Maldives.
- Partnership
 - That is formed in the Maldives; or
 - The control and management of which is in the Maldives.

Temporary residents

- Temporary residents are neither residents nor non-residents. They are;
 - Residents who are;
 - A foreigner permitted to stay in the Maldives under the Maldives Immigration Act; and
 - A person who is not married to a Maldivian.

“Non-resident” mean a person who is neither a “resident” nor “a person temporarily resident in the Maldives”, as defined above.

Taxable income

Some of the taxable incomes under Income Tax Act are:

- Remuneration
- Income derived from any business
- Income derives from the rental of movable or immovable property
- Dividends/Interests
- Technical service fee/ Commission/ Royalty
- Capital gains
- Amounts derived from the disposal of movable, immovable, intellectual or intangible property in respect of which a deduction for capital allowance is not allowed under Section 25 of the Income tax Act
- Income or gains of any other kind, including amounts received for no consideration and proceeds of any criminal or other illegal activity, unexplained monies, unexplained investments and expenditures, and unexplained assets.

Exempt income

Some of the exempt incomes under the Income Tax Act are:

- Dividends or profit received by a resident in the Maldives from a company or partnership, respectively which is resident in the Maldives
- Interest received as below:
 - Interest or profit derived in respect of a security issued by a company listed on the Maldives Stock Exchange.
 - Passive interest up to an annual maximum of MVR 5,000/- (Example; Interest received by an individual for money kept in a Savings Bank Account).
- Following income received by an individual;
 - Money received as basic pension and retirement under the Maldives Pension Act
 - Education grants and scholarships
 - Income derived from the disposal of a person's or principal private residence
 - Gifts received in the following manner;
 - Gifts received up to an annual maximum of MVR 40,000/-
 - Any amount of gifts received in the following manner;
 - Gift from a relative; or
 - Gift received as a wedding gift; or
 - A grant from the government or a charitable organization approved by the commissioner General
 - Money received as hibah, bequest or inheritance
 - Payments of dowry, nafaka or halanath
 - Grants from the Government (Example; money received under the “social health insurance scheme”)

Tax Rates

Income tax brackets and rates for individuals.

Tax bracket (taxable income per tax year)	Tax Rate
Not exceeding MVR 720,000	0%
More than MVR 720,000 but not exceeding MVR 1,200,000	5.5%
More than MVR 1,200,000 but not exceeding MVR 1,800,000	8%
More than MVR 1,800,000 but not exceeding MVR 2,400,000	12%
More than MVR 2,400,000	15%

Companies, partnerships and other such corporate entities have to pay tax at a rate of 15% of the taxable income of that entity which exceeds MVR 500,000 per year. Deemed partnerships are also subject to tax at this rate. A “deemed partnership” is two or more

persons that share the total income and expenses, or the profit or loss, of an activity, whether or not they use a separate name for that activity or have joint or common rights in the activity or property which generates that income.

Banks have to pay tax at a rate of 25% of their taxable income

Employee Withholding Tax (EWT)

Income tax is also levied on remuneration earned by foreigners in the Maldives. EWT is an administrative mechanism through which full or part of the income tax due by the person earning remuneration is collected, and is not a separate tax per se. Remuneration subject to EWT is total remuneration received by an employee in a month, after deduction of the amount contributed to the Maldives Retirements Pension Scheme by the employee. Remuneration also includes allowances and benefits received by the employee, whether received in cash or in-kind. Employees include persons who are engaged to provide labour services to another person under a contract of service, company directors, partners of partnerships and any person holding a position of the state.

Employee withholding tax brackets and rates

Remuneration subject to Withholding Tax (Monthly)	Tax Rate
MVR 60,000 or less	0%
More than MVR 60,000 but less than or equal to MVR 100,000	5.5%
More than MVR 100,000 but less than or equal to MVR 150,000	8%
More than MVR 150,000 but less than or equal to MVR 200,000	12%
More than MVR 200,000	15%

Employee withholding tax return

Employee withholding tax is paid to MIRA by the employer on behalf of the employee. If you have one or more persons for whom you are required to deduct employee withholding tax in a month, you must submit an “Employee Withholding Tax Return” (MIRA 601) form for that month before the 15 of the subsequent month, and this would be the deadline for making the corresponding payments. If you are required to submit an EWT return for any month of the tax year, you are required to submit an EWT return for all the remaining months of the respective year.

Find out more

You may refer to [Guide to employee withholding tax](#) for more information on employee withholding tax.

International transportation business

Income derived by a non-resident shipping or aircraft operator in international transportation that has a permanent establishment, from carrying passengers or livestock or mail or parcels or merchandise or goods on an aircraft or a ship which departs from a place located in the Maldives will be subjected to Income Tax at the rate of 2% of the gross income. This does not apply to below income(s);

- Income exempted under Section 12 of Income tax Act.
 - This exemption only applies to income derived by non-resident aircraft or shipping operators, charterers or lessors in international transportation. This includes, transportation of passengers, livestock, mail, parcels, merchandise or goods from the Maldives, and lease of aircrafts, vessels or equipment which are integral to the seaworthiness of ships or airworthiness of aircrafts, in accordance with any maritime or aviation law of the Maldives. The Commissioner General determines the exemption based on corresponding exemptions given to Maldivian residents from income tax or similar taxes, in the jurisdiction where the non-resident aircraft or shipping operator, charterer or lessor is resident.
 - You can apply for exemption by submitting the application for exemption (MIRA 607) form together with the information and documents specified in the form to MIRA.
 - Independent verification from the applicant's external auditor of the location of the applicant's management and control;
 - Agreements and other documentation in respect of the transaction that is subject to the withholding tax.

Find out more

You may refer to [Income Tax Guide: Non-resident International Airlines and Shipping Operators](#) for more information on International transportation business.

Taxation of non-residents

Non-residents have to pay tax on the income derived from the Maldives.

Non-resident Withholding Tax

The following types of income derived from the Maldives by a non-resident are subject to tax at the rate of 10% of the gross amount of income derived by them.

Types of income subject to non-resident withholding tax:

- Rent from immovable property situated in the Maldives
- Royalty;
 - use of, or the right to use of a copyright of a software,
 - use of, or the right to use of a copyright, patent, plant variety right, trademark, model, plan, secret formula or process, or a similar product
 - use of, or the right to use of the following:
 - cinematographic film
 - videotape or other electronic recordings used for television broadcasting;
 - tape or other electronic recording used for radio broadcasting;
 - film, video or other electronic recording used for internet broadcasting.
 - providing of industrial, commercial, or scientific knowledge or information;
 - use of, or the right to use industrial, commercial, or scientific equipment or information concerning industrial, commercial or scientific experience;
 - transmission via satellite, cable, optic fiber or a similar technology.
- Interest (except interest paid or payable to a bank or non-banking financial institution approved by MIRA);
- Dividend;
- Fees for technical services;
- Payments made in respect of performances in the Maldives by public entertainers;
- Payments made to a non-resident contractor (subject to non-resident withholding tax at the rate of 5%);
- Insurance premium paid to an insurer;

All persons doing business in the Maldives through a permanent establishment are required to submit an income tax return, and, if such person's income derived from the Maldives has suffered non-resident withholding tax, the person can deduct the expenses incurred in the production of that income that had suffered non-resident withholding tax.

The following persons however can choose to submit an income tax return even if they do not have a permanent establishment in the Maldives.

- Persons who derive income from the rent of immovable property situated in the Maldives;
- Public entertainers who derive income from performing in the Maldives;
- Persons who derive income from carrying out research and development in the Maldives.

For the above circumstance, if the person is an individual, the amount of tax payable is the aggregate amount derived when his income from the Maldives is divided into the tax brackets stipulated in the law and charged at the rates applicable to each of those brackets separately. If the person is a company, partnership or a similar entity, he has to pay tax at the rate of 15% of his taxable income that exceeds MVR 500,000/-. If the person is a bank, the bank has to pay tax on its taxable income at the rate of 25%.

In the case of non-resident withholding tax, the person doing business in the Maldives making the payment subject to non-resident withholding tax should deduct 10% from the payment

he makes to the non-resident and pay it to MIRA. (In case of non-resident contractor it should be 5%)

For the purpose of the non-resident withholding tax, a permanent establishment and its head office will be deemed as two separate entities.

Non-resident withholding tax is a final tax

If the income derived by a non-resident from the Maldives has suffered non-resident withholding tax and the income is not part of the income of the person's permanent establishment in the Maldives, or if the choice of submitting an income tax return is not open to the non-resident under the law, the amount of non-resident withholding tax paid on that income will be the person's final tax.

Types of income not subject to non-resident withholding tax

- Payments made by a Government office/State institution (however, if a non-resident derives income for a service provided under an agreement with the Government of the Maldives, such income will be subject to tax, wherever may be the place such service is rendered);
- Payments made to a non-resident by persons mandated to carry out social protection schemes and programs;
- Income exempted from income tax

Capital Gain Withholding Tax (CGWT)

Where a person enters into any of the following transactions, and an amount pertaining to such transaction is paid either to an non-resident (payee) or to a person residency status of whom cannot be determined (payee), the payer (withholding agent) must withhold as tax 10% of the gross amount of the payment.

1. Entering into any of the transaction mentioned below with a non-resident
 - a. The profit is derived from the disposal of an immovable property situated in the Maldives; or
 - b. the profit is derived from the disposal of a share or any interest in a company, partnership or trust, where at the time of disposal of such share or interest, at any time during the past 365 (three hundred and sixty five) days, more than 50% (fifty percent) of the value of company, partnership or trust is directly or indirectly related to an immovable property situated in the Maldives; or
 - c. the profit is derived from the disposal of a share or any interest in a company or partnership or trust which is resident in the Maldives; or
 - d. the profit is derived from the disposal of an option as respects a property specified above, or from the disposal of a right to buy such property.
2. Entering into a transaction which falls within Section 11(o) of GST Act with a non-resident.

- a. Income derived from the disposal of an intellectual property used or registered in the Maldives or income derived under an agreement made in the Maldives for the disposal of such property.

Capital gain withholding tax return

The withholding agent must submit a “Capital Gains Withholding Tax Return” (MIRA 608) form and make the payment earlier of the following dates:

- The date on which the withholding agent becomes the owner of any asset as a result of any of the transactions; or
- The date on which the payment pertaining to the transaction is paid to the payee.

MIRA 608 return must be filed and subsequent payment should be made online via MIRAconnect.

Permanent establishment

If you carry on any business in the Maldives through a place of management of business, branch, office, factory, warehouse, workshop, farm or plantation, place of extraction of natural resources, building or work site or any other fixed place in the Maldives, such location may be considered as your permanent establishment (PE), and you will be required to pay tax on profits earned through the PE or PEs.

Please refer to Section 79(gg) of the Income Tax Act for the definition of Permanent Establishment.

Business carried out by a non-resident in the Maldives through a permanent establishment

Income derived by a non-resident from a business carried out through the non-resident’s permanent establishment in the Maldives will be taxed as below:

- The income derived by a non-resident through a permanent establishment in the Maldives includes:
 - income derived from sale goods in the Maldives, that are same or similar to the type of goods sold through the permanent establishment of the non-resident;
 - income from business activities in the Maldives that are of the same or similar kind as that carried out through the permanent establishment of the non-resident.
- If a non-resident shipping or aircraft operator in international transportation derives the following type of income through the non-resident’s permanent establishment in the Maldives, the non-resident has to pay income tax at the rate of 2% on that gross income.

- Income derived from carrying passengers or livestock or mail or parcels or merchandise or goods on an aircraft or a ship which departs from a place located in the Maldives

If a non-resident's business is carried out through more than one permanent establishment and if the same tax rate is applicable to more than one of those permanent establishments, tax amount shall be calculated for such permanent establishments together.

Other types of income derived by a non-resident

The following types of income derived by a non-resident is subject to income tax even if such income is not liable to non-resident withholding tax or even if the income is not derived from a business conducted by the non-resident's permanent establishment.

- Remuneration from any employment in the Maldives
- Remuneration derived from any employment exercised under a contract of service with a Government office of the Maldives (wherever may be the place such employment is exercised);
- Director's fee or partner's income derived from a company or a partnership which is a resident in the Maldives;
- Remuneration derived from an employment under a contract of service made with a shipping or aircraft operator, charterer or lessor who is resident in the Maldives, wherever may be the place such employment is exercised;
- Remuneration derived for any service provided under a contract of service with a Government office, wherever the service is provided;
- Annuity, pension or any other retirement benefit that is paid by the Government of the Maldives or by a resident of the Maldives, in respect of any employment exercised or services provided in the Maldives;
- Rent from any immovable property situated or registered in the Maldives;
- Interest, royalty or fees for technical services paid by a resident.

Accounting basis

There are two recognized accounting bases for Income Tax purposes:

- **Cash basis:** Businesses with an annual turnover of less than or equal to MVR 10 million *may* opt to prepare their accounts using the cash basis.
- **Accrual basis:** Businesses with an annual turnover of more than MVR 10 million *must* prepare their accounts using the accrual basis.

If you choose the accrual basis, you must prepare accounts in accordance with:

- International Financial Reporting Standards (IFRS); or
- IFRS for SMEs; or

- Accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

If you carry on more than one business activity, you must prepare combined financial statements for all the activities taken as a whole.

Accounting period

All the taxpayers are required to prepare their accounts from 1 January to 31 December every year.

Returns and payments

Income is to be paid in three payments: first interim payment, second interim payment and the final payment. An Interim Return (MIRA 603) must be submitted when making the interim payments, whereas an Income Tax Return must be submitted when making the final payment. The Income Tax Return must be accompanied by financial statements.

Below are the deadlines for filing the Interim Return and Income Tax Return, and the amount to be paid as tax.

- Paying the first interim payment (accompanied by an Interim Return):
 - Pay half of the tax payable for the previous tax year or pay a reasonable estimate of the amount of interim tax payable
 - By 31 July of the same tax year
- Paying the second interim payment (accompanied by an Interim Return):
 - Pay half of the tax payable for the previous tax year or pay a reasonable estimate of the amount of interim tax payable
 - By 31 January of the following tax year
- Paying the final payment (accompanied by an Income Tax Return):
 - Pay the balance after deducting the interim payments from the tax liability for the current tax year
 - By 30 June of the following tax year

Before 2nd Interim of tax year 2024:

- If your functional currency is MVR, you must prepare your Interim Returns and Income Tax Returns in MVR and you have to pay income tax and interim payment in MVR.
- If your functional currency is USD, you must prepare your Interim Returns and Income Tax Returns in USD and you have the option of paying income tax and interim payment in either MVR or USD.

- If your functional currency is neither MVR nor USD, you must prepare your Interim Returns and Income Tax Returns in MVR or USD and you have the option of paying income tax and interim payment in either MVR or USD.

Starting from 2nd Interim of tax year 2024:

- If your functional currency is MVR, you must prepare your Interim Returns and Income Tax Returns in MVR and you have the option of paying income tax and interim payment in either MVR or USD.
- If your functional currency is not MVR, you must prepare your Interim Returns and Income Tax Returns in USD and you must pay income tax and interim payment in USD.

Requirement to submit audited financial statements

If your annual turnover exceeds MVR 10,000,000 (approx. USD 648,508), you must submit audited financial statements signed by an auditor licensed by the relevant regulatory authority together with your Income Tax Return.

Cancelling your registration with MIRA

You may apply for cancellation of your registration with MIRA using the Deregistration form (MIRA 106) after ceasing all of your business activities in the Maldives.

Goods and Services Tax

Overview

GST is a tax imposed under the Goods and Services Tax Act, which states that any taxable activity carried out in the Maldives which is registered for GST will be liable to collect GST on its supplies from its customers.

The law categorizes GST into the following two sectors:

- Tourism goods and services
- General goods and services

Tourism goods and services are goods and services supplied by:

- Goods and services supplied by tourist resorts, integrated tourist resorts, resort hotels, hotels, tourist guest houses, picnic islands, private islands, tourist vessels, yacht marinas and other such establishments authorized by the Ministry of Tourism.

- Goods sold and services supplied by shops, cafe's, diving schools, spas, water sports facilities and other such facilities on establishments specified above, excluding shops and cafe's operating exclusively for the employees of such establishments.
- Travel agency service providers.
- Agents providing goods and services to foreign tourist vessels entering the Maldives.
- Domestic air transportation service providers to persons other than Maldivian citizens.

Registering for GST

It is compulsory to register for GST if:

- you provide "tourism goods and services", or
- you import goods into the Maldives
- your total taxable sales (including zero-rated goods and services) for the previous 12 months exceeded MVR 1 million, or your expected taxable sales (including zero-rated goods and services) for the next 12 months is expected to exceed MVR 1 million.

Even if you do not meet any of the above conditions, you may request for voluntary GST registration. To register for GST, you must submit the GST Registration (MIRA 105) form.

Find out more

MIRA 105 (GST Registration) form and instructions on completing it are available at <https://bit.ly/3QYfDHg> and <https://bit.ly/3WpBWqw> respectively.

Once you are registered for GST, you must:

- Charge GST on all your supplies except those which are zero-rated or exempt.
- Issue tax invoices to GST registered persons if requested.
- File your GST returns and make GST payments to MIRA by the due dates.
- Maintain records to support the figures declared in your GST returns.
- Display the GST Registration Certificate at your business outlets.

Find out more

For more information on what "zero-rated" and "exempt from GST" mean, refer to our Guide to Zero-rated Goods and Services (MIRA G807) and Guide to Exempt Goods and

Services (MIRA G823), which are available at <https://bit.ly/3XU60eY> and <https://shorturl.at/kzra2> respectively.

GST rates

GST rates effective from 1 July 2025:

- **Tourism goods and services:** 17 percent
- **General goods and services:** 8 percent

How GST works

GST can be charged only after registering for GST. GST must be charged on all goods and services other than zero-rated and exempt goods and services. Key features of the GST regime in the Maldives are as follows:

- GST registered businesses charge GST on their sales and can claim back the GST on their expenses as input tax.
- To claim the GST you have paid, you need to file the GST return together with an input tax statement.
- If there is a GST payable amount, you must pay this amount to MIRA, and if there is GST to be refunded, you can carry forward and set it off against your future GST liabilities.
- Businesses not registered for GST and businesses supplying exempt goods and services cannot claim back GST on their expenses.

Returns and payments

Payment and return filing frequency depends on your taxable period. Your taxable period is mentioned in the letter issued to you with your GST Registration Certificate.

- If your average taxable sales exceed MVR 1 million per month, your taxable period is each calendar month.
- If your taxable sales does not exceed MVR 1 million per month, your taxable period is three calendar months. In this case you must file your returns quarterly (based on calendar quarters, i.e. Jan-Mar, Apr-Jun, Jul-Sep, Oct-Dec).

MIRA 205 (GST Return for General Goods and Services) must be submitted by taxpayers registered in the general sector, while taxpayers registered in the tourism sector must submit MIRA 206 (GST Return for Tourism Goods and Services) as their GST return.

Your GST return must be filed, and GST must be paid, by the 28th of the month following the end of your taxable period. If you are a monthly filer, you must file the return by the 28th of the following month. If you are a quarterly filer, you must file the return as per the schedule below.

Taxable period	Deadline
1 st Quarter (January – March)	28 April
2 nd Quarter (April – June)	28 July
3 rd Quarter (July – September)	28 October
4 th Quarter (October – December)	28 January

If the due date for your GST return falls on a weekend or a public holiday, it will be due on the next working day.

If you are registered in the general goods and services sector, you must pay GST to MIRA in Maldivian Rufiyaa. If you are registered in the tourism goods and services sector, you must make the payment in United States Dollars.

Taxpayers registered in the tourism sector and taxpayers with annual turnover more than MVR 5 million (A lower threshold of MVR 2.5 million will be in affect from 1 May 2023 onwards) are required to submit their GST return online via MIRAconnect.

Taxpayers registered in the tourism sector and taxpayers with annual turnover more than MVR 50 million (A lower threshold of MVR 20 million will be in affect from 1 May 2023 onwards) are required to pay GST online through MIRAconnect.

Cancelling your GST registration

You may apply for GST de-registration using the Deregistration (MIRA 106) form if:

- you discontinue or dispose of your business; or
- your annual taxable sales fall below MVR 500,000.

However, you must continue filing GST returns (even if you did not carry on your business) until MIRA confirms your deregistration in writing.

Green Tax

Green tax is a tax payable by tourists who stay in tourist resorts, integrated tourist resorts, resort hotels, tourist hotels, hotels, tourist guesthouses, tourist vessels and other such

establishments. Green tax collection from tourists staying in tourist resorts, tourist hotels, and, tourist vessels commenced on 1 November 2015, and green tax collection from tourists staying in tourist guesthouses commenced on 1 October 2016. Green tax collection from tourists who stay in integrated tourist resorts, resort hotels, hotels, and other similar tourist establishments commenced from 1 January 2023 onwards.

Maldivians and resident permit holders are not required to pay Green Tax. Effective from 1 January 2025, children under the age of two years are exempt from green tax.

The operator of tourist establishment is responsible for collecting Green Tax from tourists and pay it to MIRA while the local agent of the foreign tourist vessel is responsible for collecting Green Tax from tourists on board the vessel and paying it to MIRA.

Green tax rates

Green Tax rates starting from 1st November 2015 to 30 September 2016

Name (Establishment/ Vessel)	Rate (United States Dollars for every 24 hours)
Tourist resort	USD 6
Tourist hotels	USD 6
Tourist vessels	USD 6

Green Tax rates starting from 1st October 2016 to 2 July 2022

Name (Establishment/ Vessel)	Rate (United States Dollars for every 24 hours)
Tourist resorts	USD 6
Tourist hotels	USD 6
Tourist vessels	USD 6
Tourist guesthouses	USD 3

Green Tax rates starting from 21st September 2022 to 31 December 2022

Name (Establishment/ Vessel)	Rate (United States Dollars for every 24 hours)
Tourist resorts	USD 6
Tourist hotels	USD 6

Tourist vessels	USD 6
Tourist guesthouses	USD 3

Green Tax rates from 1 January 2023 until 31 December 2024

Name (Establishment/ Vessel)	Rate (United States Dollars for every 24 hours)
Tourist resort	USD 6
Integrated tourist resort	USD 6
Tourist hotel	USD 6
Resort hotel	USD 6
Tourist hotels with more than 50 rooms [irrespective where it is operated in]	USD 6
Tourist hotels operated in uninhabited islands [irrespective of number of rooms]	USD 6
Tourist hotels with 50 or fewer rooms and operated in inhabited islands)	USD 3
Hotel (have more than 50 rooms and operated in inhabited islands)	USD 6
Hotel (have 50 or less than rooms and operated in inhabited islands)	USD 3
Tourist vessel	USD 6
Tourist guesthouse (have more than 50 rooms and operated in inhabited islands)	USD 6
Tourist guesthouse (have 50 or less than rooms and operated in inhabited islands)	USD 3
Any other establishment	USD 6

Green Tax rates from 1 January 2025 onwards

Name (Establishment/ Vessel)	Rate (United States Dollars for every 24 hours)
Tourist resort	USD 12
Integrated tourist resort	USD 12
Resort hotel	USD 12
Tourist hotels with more than 50 rooms [irrespective where it is operated in]	USD 12
Tourist hotels operated in uninhabited islands [irrespective of number of rooms]	USD 12
Tourist hotels with 50 or fewer rooms and operated in inhabited islands)	USD 6
Hotel (have more than 50 rooms and operated in inhabited islands)	USD 12
Hotel (have 50 or less than rooms and operated in inhabited islands)	USD 6
Tourist vessel	USD 12
Tourist guesthouse (have more than 50 rooms and operated in inhabited islands)	USD 12
Tourist guesthouse (have 50 or less than rooms and operated in inhabited islands)	USD 6
Any other establishment	USD 12

Registration

Unlike the registration process for GST, tourist establishments are not required to submit a separate Green Tax registration application to us. Instead, the establishment will be automatically registered for Green Tax from the date on which the Ministry of Tourism issues an operating license to that establishment.

The establishments will be registered for Green Tax in the name of the person who holds the operating license of that establishment, even if it is managed by a different party. Each tourist establishment will be registered separately under different Taxpayer Identification Numbers. We will communicate registration details to the operating license holder.

Upon registration, we will issue a Green Tax Registration Certificate to the establishment. The certificate must be displayed in a conspicuous place at the business premises of the establishment.

You must start collecting Green Tax from the date of issue of the operating license even if you have not received your Green Tax Registration Certificate.

Green Tax return and payment

Each establishment and vessel (excluding foreign tourist vessel) must file a monthly Green Tax return by the 28th day of the following month, using MIRA 501 (Green Tax Return). The return must be supported by an Information Sheet.

Find out more

Instructions on completing MIRA 501 and the Information Sheet is available at <https://shorturl.at/oOtn0>.

Your Green Tax return and Information Sheet must be filed via our online portal “MIRAconnect”. All Green Tax related payments must also be paid through this portal, or via the Maldives Real Time Gross Settlement (MRTGS) facility.

Find out more

For more information on Green Tax, refer to our Green Tax Guide (MIRA R825), which is available at <https://shorturl.at/ryl9s>.

5. Special economic zones

The Special Economic Zones (SEZ) Act offers foreign investors a wide range of tax concessions, which over-ride the taxing acts. The tax incentives depend on the status of the applicant and the nature of the investment:

- Tax incentives available to a developer who establishes a SEZ's infrastructure and provides basic services in a SEZ
 - Guaranteed tax incentives
 - Exemption from Income Tax
 - Exemption from GST for the first 10 years of the SEZ
 - Tax relief under specific guidelines
 - Tax credits under specific guidelines
 - Exemption from payment of WHT for the first 10 years
 - Other tax incentives by negotiation with the SEZ Investment Board
 - Exemption from GST for a period exceeding the first 10 years
 - Exemption from WHT for a period exceeding the first 10 years
 - Exemption from any tax in connection with the purchase or ownership of land
- Industry based guaranteed tax incentives available to investors, investments and businesses in a SEZ

Industry	Tax incentives
<ul style="list-style-type: none"> • Hotel • Tourism • Commercial real estate 	<ul style="list-style-type: none"> • Exemption from Income Tax for the first 2 years • Exemption from GST for the first 2 years • Exemption from WHT for the first 2 years • If the Investment Board decides that a SEZ assists in regional development, the President may grant hotel and tourism projects in the SEZ the following additional tax concessions: <ul style="list-style-type: none"> • Exemption from Income Tax, GST and WHT for an extended period • Exemption from any tax related to the purchase of land

	<ul style="list-style-type: none"> • Tax credits under specific guidelines • Tax relief under specific guidelines
<ul style="list-style-type: none"> • Manufacturing • Logistics • Transportation • Building ports • Communication services 	<ul style="list-style-type: none"> • Exemption from Income Tax for the first 20 years • Exemption from GST for the first 10 years • Exemption from WHT for the first 10 years <ul style="list-style-type: none"> • Exemption from Income Tax on shareholder dividends for the first 15 years
<ul style="list-style-type: none"> • Education • Health • Housing • Building and operating airports • Research and development 	<ul style="list-style-type: none"> • Exemption from Income Tax for the first 10 years • Exemption from GST for the first 10 years • Exemption from WHT for the first 10 years <ul style="list-style-type: none"> • Exemption from Income Tax on shareholder dividends for the first 10 years
<ul style="list-style-type: none"> • Financial services 	<ul style="list-style-type: none"> • Exemption from bank profit tax for the first 10 years <ul style="list-style-type: none"> • Exemption from Income Tax for the first 10 years • Exemption from Income Tax on shareholder dividends for the first 5 years • Exemption from GST for the first 10 years • Exemption from WHT for the first 5 years
<ul style="list-style-type: none"> • Sports • Other business 	<ul style="list-style-type: none"> • Exemption from Income Tax for the first 5 years • Exemption from GST for the first 5 years • Exemption from WHT for the first 5 years <ul style="list-style-type: none"> • Exemption from Income Tax on shareholder dividends for the first 5 years

Developers and investors in a SEZ are protected from any new taxes or any increase in existing taxes, which adversely affects any of the above SEZ incentives.

Developers and investors in a SEZ must provide economic activity and tax expenditure data to MIRA as well as other information which may be obtained under Maldives law (in this context, particularly the Tax Administration Act) or under international treaties to which the Maldives is a party.

6. Tax administration

In the Maldives, a self-assessment tax system exists whereby taxpayers are responsible for paying the correct amount of tax on set dates, without waiting for MIRA to demand the submission of tax returns or payment of tax. Unlike the administrative-assessment tax system, voluntary compliance makes it easy for MIRA to focus its resources on those taxpayers who do not comply.

Audit and investigation

MIRA has the power to conduct audits under section 30 of the Tax Administration Act in order to ensure that the amount of tax payable declared by the taxpayer is correct and to assess the correct tax liability if it has been computed incorrectly.

Where an audit finds that a taxpayer had under-declared his tax liability, MIRA will issue a Notice of Tax Assessment, requiring the taxpayer to pay additional tax.

When there are solid grounds to believe that tax evasion and tax fraud is being committed, MIRA will conduct criminal investigations of such taxpayers.

Objection and appeal

In circumstances where a taxpayer believes that the additional tax assessed by MIRA is incorrect, the taxpayer has the right to object to the assessment. This objection can only be made within 30 days of the assessment.

If a taxpayer is unsatisfied with the decision made by MIRA pursuant to an objection he filed, he has the right to appeal the decision at the Tax Appeal Tribunal within 60 days.

Find out more

For more information on auditing and the objection and appeal process, refer to our Tax Audit Framework (MIRA M841) and the Objection and Appeal Guide (MIRA M808), which are available at <https://tinyurl.com/yck4nup8> and <https://tinyurl.com/4cj9yzzr> respectively.

Penalty

Non-payment of tax :

- 0.05% of the outstanding amount per day.

Non-submission of returns :

- 0.5% of the amount of tax payable for the period.

MVR 50 per day of delay.

7. Licensed tax agents

A licensed tax agent is a person authorized by MIRA to provide tax advisory services to taxpayers. The license is issued under the Tax Agents Regulation. You can get the assistance of a licensed tax agent to prepare your tax returns and to assist and advise you on tax matters.

To appoint a tax agent, you must submit the Appointment of Tax Agent (MIRA 114) form to MIRA, together with supporting documents and information.

Find out more

The list of licensed tax agents and their contact details are available on our website at <https://tinyurl.com/3r634z8s>.

8. Relevant laws, regulations and tax rulings

The following laws, regulations and tax rulings provide the legal basis for the guidelines provided in this guide:

- [Income Tax Act \(Law Number 25/2019\)](#)
- [Income Tax Regulation \(Regulation Number 2020/R-21\)](#)
- [Companies Act of the Maldives \(Law Number 10/96\)](#)
- [Goods and Services Tax Act \(Law Number 10/2011\)](#)
- [Goods and Services Tax Regulation \(Regulation Number 2011/R-43\)](#)
- [Green Tax Regulation \(Regulation Number 2013/R-118\)](#)
- [Law on Foreign Investments in the Maldives \(Law Number 25/79\)](#)
- [Sixth Amendment to the Maldives Tourism Act \(Law Number 42/2014\)](#)
- [Special Economic Zones Act \(Law Number 24/2014\)](#)
- [Tax Administration Act \(Law Number 3/2010\)](#)
- [Tax Administration Regulation \(Regulation Number 2013/R45\)](#)
- [Tax Agents Regulation: \(Regulation Number 2014/R-36\)](#)



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