

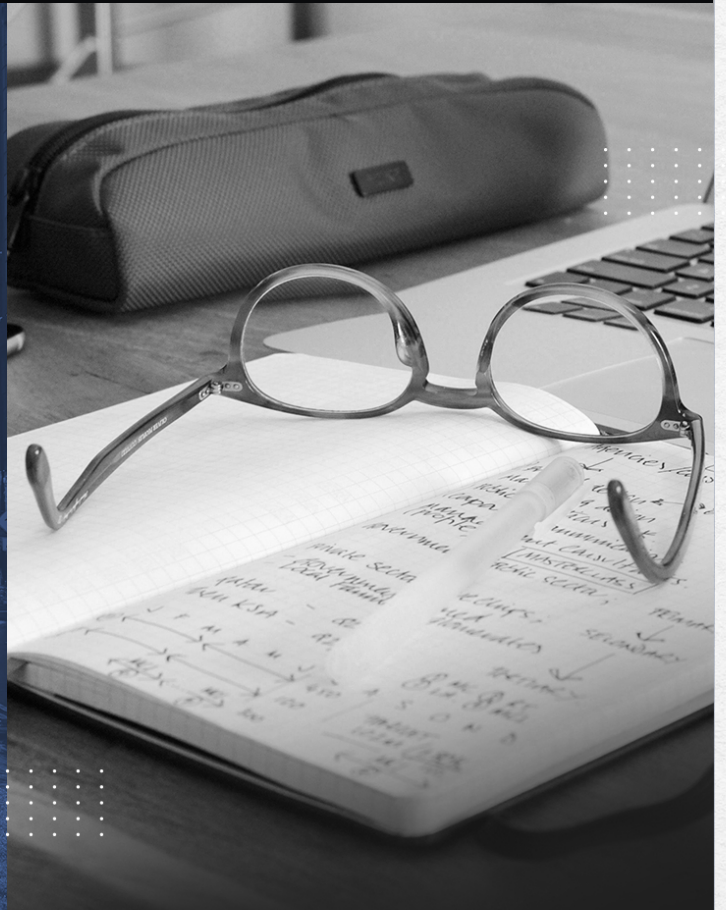


MALDIVES
INLAND REVENUE
AUTHORITY

MIRA POST



**Deadline or the submission of
2nd Interim return and
payment for 2022 is
31 January 2023**



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Deadline or the submission of 2nd Interim return and payment for 2022 is 31 January 2023



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Pursuant to the Income Tax Act, the second interim return filing and payment deadline for the tax year 2022 is 31 January 2023. "Interim return" (MIRA 603) is the form to be submitted by persons required to file interim return. For the first year, interim payable should be computed based on estimated income tax liability for the tax year. For every succeeding tax year, interim payment will be of amount not less than that of the tax liability of previous year. However, where a person has reasonable grounds to expect that tax payable for the tax year will be less than tax payable for the previous tax year, that person may make a reasonable estimate of the amount of interim tax payable. Any of the interims or both could be estimated under this estimation rule. If the final amount of tax payable for the tax year to which the estimated amount of interim payment related is greater than 20% of the total of the interim payments estimated

by the person, it shall be deemed that the person failed to make the full payment by the deadline as the interim payable will be half of tax liability of preceding tax year.

Income Tax Return required to be submitted under Income Tax Act can be filed after the required interim returns have been submitted. Moreover, interim returns cannot be amended.

Where, the total amount income tax payable in previous tax year is more than MVR 20,000, it is mandatory to submit the interim returns. Newly registered taxpayers in the tax year 2022 will be required to submit their interim returns, if their estimated tax payable is more than MVR 20,000.

From 1 January 2023 onwards Green tax...

Name (Establishment/Vessel)	Amount (USD per day of stay)
Tourist resort	6
Integrated tourist resort	6
Tourist hotel	6
Resort hotel	6
Hotel (located on an uninhabited island, OR, has more than 50 registered rooms)	6
Hotel (located on an inhabited island and has 50 or fewer registered rooms)	3
Tourist vessel	6
Tourist guesthouse (located on an uninhabited island, OR, has more than 50 registered rooms)	6
Tourist guesthouse (located on an inhabited island and has 50 or fewer registered rooms)	3

Azerbaijan joins the Inclusive Framework on BEPS

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Senior tax officer, Tax Academy



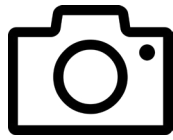
Upon ratification of the Law on Inclusive Framework on Base Erosion and Profit Shifting (BEPS), the OECD has officially announced The Republic of Azerbaijan as an associate member of the OECD/G20 Inclusive Framework. Azerbaijan has also endorsed the two-pillar plan, thereby making them the 138th inclusive framework member to join the global efforts on addressing the tax challenges arising from digitalization and globalization of the economy.

BEPS refers to tax planning strategies used by multinational companies to artificially shift profits to low or no-tax jurisdictions in order to reduce their taxable income or evade corporate tax altogether. In order to address such problems, the Inclusive Framework on BEPS has formed a global platform with 142 countries who are committed to tackle tax avoidance, improve the coherence of international tax laws and ensure the transparency of tax environment through the implementation of the BEPS package. The BEPS package will provide 15 Actions that will equip the government of Azerbaijan with the domestic and international

instruments needed to implement the global action plan.

As an associate member, Azerbaijan must conform to the four minimum standards: BEPS Action 5 - Countering harmful tax practices, BEPS Action 6 - Preventing treaty abuse, BEPS Action 13 - Guidance on Country-by-Country Reporting, and BEPS Action 14 - Enhancing dispute resolution. In addition, Azerbaijan is obligated to implement the two-pillar plan of which Pillar One aims to change the traditional 'physically presence' nexus rule when determining the allocation of taxing rights, and Pillar Two aims to design a system to ensure that MNEs pay a minimum level of tax on profits. The implementation process of the two-pillar plan should be conducted in accordance with the Detailed Implementation Plan designed by the member countries and published on October 2021.

As of December 2022, 142 countries have joined the global efforts to tackle tax evasion and avoidance by joining the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS). Maldives became a member of the Inclusive Framework on November 2017.



Minivan cup 2022



Changes to the GST rates

Effective from **1 January 2023**;

- General Goods and Services Tax (GGST) will change from **6% to 8%**
- Tourism Goods and Services Tax (TGST) will change from **12% to 16%**

What businesses need to be prepared for

From **1 January 2023** onwards:

- Prices of goods and services must be displayed inclusive of the new rates [prices of goods in the shelves/ prices of goods and services on websites etc.]
- Point-of-sale systems (POS), accounting systems, billing/invoicing systems, reservation systems must be updated to reflect the new GST rates

Cut-off times

24-hour basis suppliers - **00:00 hours of 1 January 2023**

Other suppliers: the time of opening of the business on **1 January 2023**

