



*Unofficial translation of the*

## **SECOND AMENDMENT TO THE ENFORCEMENT POLICY**

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*The Enforcement Policy, which was published in the Government Gazette on 19 February 2015, as amended by the “First Amendment to the Enforcement Policy” published in the Government Gazette on 30 May 2016, is amended pursuant to the Second Amendment to the Enforcement Policy, published in the Government Gazette on 6 November 2018.*

**DISCLAIMER OF LIABILITY**

*This is the unofficial translation of the original document in Dhivehi. In the event of conflict between this translation and the Dhivehi version of this document, the latter shall prevail. Therefore, it is advised that both the Dhivehi version of this document and this translation be read concurrently.*

# SECOND AMENDMENT TO THE ENFORCEMENT POLICY

The “Enforcement Policy”, which was published in the Government Gazette by the Maldives Inland Revenue Authority on 19 February 2015, as amended by the “First Amendment to the Enforcement Policy” published in the Government Gazette on 30 May 2016, shall be amended as follows.

1. Repeal section 3(e) of the aforementioned Policy.

2. Amend section 24(a) of the aforementioned Policy as follows:

- |  |   |
|--|---|
| Circumstances under which the frozen bank accounts can be released | 24. (a) A frozen bank account can only be released under the following circumstances, and in such circumstances the banks shall be notified to release the taxpayer’s bank accounts.  |
|  | (1) MIRA receives the outstanding amount from the banks in full or the taxpayer and MIRA come to an agreement on the settlement of the outstanding amount; or   |
|  | (2) Despite the bank account not having sufficient funds to cover the outstanding amount, the elapse of 90 (ninety) days from MIRA’s notification to the bank to freeze the account of that person or MIRA lodges a case with the Civil Court against the taxpayer in order to recover the amount outstanding; or |
|  | (3) A court of law issues an order to release the taxpayer’s bank account or the case is appealed at a higher court of law.   |

3. Insert the following subsection after section 24(b) of the aforementioned Policy:

24. (c) Where a taxpayer’s frozen bank account is released under subsection (a)(3), the taxpayer’s outstanding dues shall be treated as is determined by the court of law.

4. Insert the following definition into section 75 of the aforementioned Policy as follows:

75. "Small business" refers to businesses whose turnover was less than 20 (twenty) million rufiyaa in the tax year.

5. Amend schedule 1 of the aforementioned Policy as follows:

**SCHEDULE 1: Table used to determine commitment payment and instalment amount (for businesses other than small businesses)**

Commitment Payment (%)		Amount Payable	Number of Instalments	
GST*	Other	(in the currency payable)	Category A	Category B
Less than 20,000			0	0
40%	25%	20,000	1	1
40%	25%	30,000	2	1
40%	25%	45,000	3	2
40%	25%	60,000	4	2
40%	25%	80,000	5	3
35%	25%	100,000	6	3
35%	20%	150,000	7	4
35%	20%	300,000	8	4
35%	20%	500,000	9	5
35%	20%	800,000	10	5
35%	20%	1,250,000	11	6
35%	20%	2,000,000	12	6
30%	15%	3,000,000	13	7
30%	15%	4,500,000	14	8
30%	15%	6,500,000	15	9
30%	15%	9,000,000	16	10
30%	15%	12,000,000	17	11
30%	15%	15,000,000	18	12

**Note:**

**Category A:** This category includes persons against whom no action has been taken in accordance with Section 3(c) of this Policy to date.

**Category B:** This category includes persons against whom action has been taken in accordance with Section 3(c)(1), (2) or (3) of this Policy and persons to whom Section 12(a)(7) of this Policy applies.

\*If the outstanding amount remaining is fines relating to GST, the Commissioner General shall have the discretion to lower the commitment payment up to 25%.

6. Insert the following schedule after schedule 1 of the aforementioned Policy:

**SCHEDULE 2: Table used to determine commitment payment and instalment amount (for small businesses)**

Commitment Payment (%)		Amount Payable	Number of Instalments	
GST*	Other	Rufiyaa	Category A	Category B
Less than 10,000			0	0
30%	20%	10,000	2	1
30%	20%	15,000	3	1
30%	20%	22,500	4	2
30%	20%	30,000	5	2
30%	20%	40,000	6	3
30%	20%	50,000	7	3
25%	20%	75,000	8	4
25%	15%	150,000	9	4
25%	15%	250,000	10	5
25%	15%	400,000	11	5
25%	15%	625,000	12	6
25%	15%	1,000,000	13	6
20%	10%	1,500,000	14	7
20%	10%	2,000,000	16	8
20%	10%	3,000,000	18	9
20%	10%	4,000,000	20	10
20%	10%	5,000,000	22	11
20%	10%	6,000,000	24	12

**Note:**

**Category A:** This category includes persons against whom no action has been taken in accordance with Section 3(c) of this Policy to date.

**Category B:** This category includes persons against whom action has been taken in accordance with Section 3(c)(1), (2) or (3) of this Policy and persons to whom Section 12(a)(7) of this Policy applies.

\*If the outstanding amount remaining is fines relating to GST, the Commissioner General shall have the discretion to lower the commitment payment up to **20%**.

7. This amendment shall commence upon being published in the Gazette of the Government of the Maldives.