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MIRApost

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31 July 2019 BPT Interim Deadline

The deadline for the first interim payment for 2019 is

31 July 2019

Fathimath Luha

Senior Tax officer / Technical Service

The first interim payment specified under the Business Profit Tax Act is due on 31 July 2019 for tax year 2019. The amount due to be made as the interim payment would be one-half of the BPT liability for tax year 2018. If the year 2019 is the first tax year of business, the amount of interim payment would be a half of the estimated BPT liability for the year. Taxpayers must submit the Interim Payment Statement (MIRA 303 form) in order to make the interim payment.

The taxpayer would be exempt from paying the interim payment if the tax liability for the previous

tax year was less than MVR 2000. However, all the taxpayers who are liable to file the BPT return must submit a statement of interim payment.

Taxpayers must be vigilant towards the deadline, as failure to make the interim payment by the deadline would incur late payment penalties.

Assistance in completing the Statement of Interim Payment is provided over the phone (through MIRA's hotline 1415) and via email 1415@mira.gov.mv. Instructions on how to complete the interim payment statement is available on MIRA's website, too.

MIRA launches "Alivaaru," a special awareness program for taxpayers in atolls.

Ahmed Shaheen

Principle Tax Officer / Tax Academy

MIRA has launched a special awareness program called "Alivaaru" on 22 June 2019 aimed at taxpayers in atolls. The objective of this program is to raise awareness, provide assistance and provide the people residing in atolls with an insight on the tax regime. Under this program, MIRA

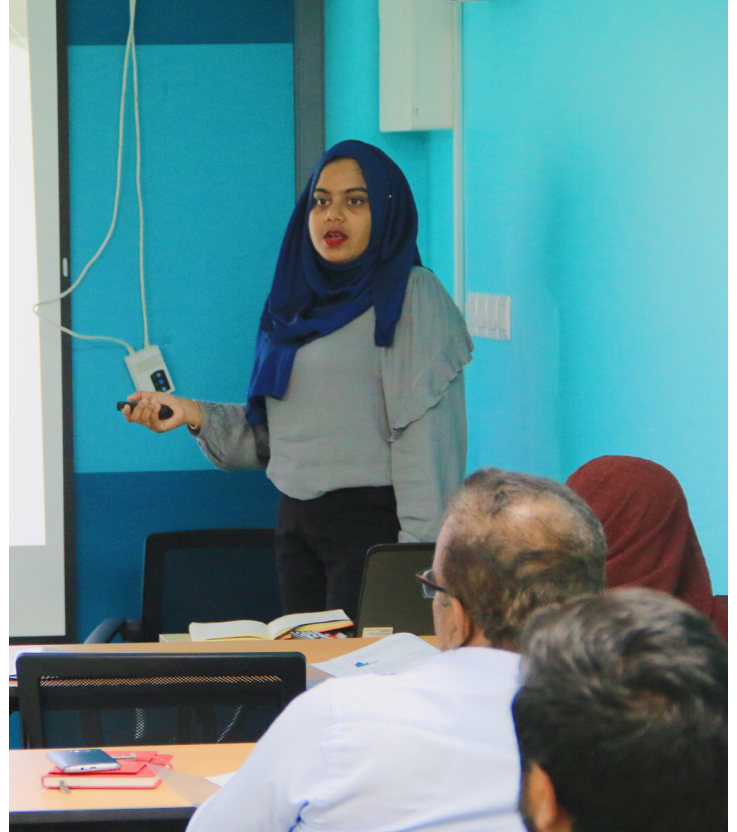
teams intends to visit all the atolls of Maldives.

It is MIRA's request that the residents of these atolls use this opportunity and reach out to MIRA's teams in order to make the best use of the information and assistance provided in relation to taxation.



Training Programmes

- CPD Programme conducted for MIRA approved Auditors and Tax Agents



- Information session conducted for Bank of Maldives Staff



“Amount arising from purchase price exceeding asset value is Goodwill”

Yoosuf Shiraz
Director / Technical

Following an appeal by Traders Hotel Male Pvt Ltd concerning an objection assessment report no. 220 OA/2016/4 (31 May 2016) by MIRA, on 19 June 2019, the Tax Appeal Tribunal (TAT) issued a verdict deciding that capital allowance cannot be claimed on the additional amount paid as the purchase price (in excess of the total asset value) in the transaction of buying a business as such amount will be goodwill. The verdict states that the same treatment should be applied even if the transaction took place prior to commencement of the BPT Act. The verdict also highlighted that allowing

capital allowance for assets acquired prior to the commencement of the Act will not be considered as applying the law retrospectively.

Several significant issues relating to capital allowance are emphasized in the judgment made by TAT. Such that includes the distinction in land ownership and leasehold right of land. Tribunal's decision has also stressed on IAS 38 where leasehold rights is categorized as an intangible asset and highlighted that capital allowance can be claimed on leasehold rights as per the BPT regulation.

GST deadline is **28 July 2019**

Yoosuf Shiraz
Director / Technical

The payment and filing deadline for GST registrants to file their GST return for the second quarter of 2019 and June 2019 is 28 July 2019. Both monthly filers and quarterly filers must file their GST returns and make payments by the deadline, if any. The deadline for the payment and filing of GST is the 28th day of the month followed by every taxable period.

Taxpayers with an annual turnover above MVR 5 million and those who are required to file an information sheet in relation to capital expenditure along with the GST return must file their returns online via 'MIRAconnect' portal. In addition, taxpayers whose annual turnover exceeds MVR 50 million and taxpayers registered in the tourism sector are required to make the

payment either online via MIRAconnect or via MRTGS. The non-mandatory parties may also file and make payments online via MIRAconnect.

Registered taxpayers must continue to file their GST Returns even if the business being temporarily closed or the taxpayer has applied for GST deregistration. One must continue filing the GST Return and make payments until the deregistration is confirmed. Taxpayers that fail to submit the GST Return by the deadline are subject to a late filing penalty of MVR 50 per day and 0.5% of the GST liability. Additionally, if GST is not paid by the deadline, a late payment penalty at the rate of 0.05% of the outstanding amount per day would apply to the taxpayer.



MIRA's "Heyvalla Saafukuramaa" programme



MIRA assuages auditor registration criteria



Amaanee Khalid
Deputy Manager / Technical Service

Through the Tax Ruling TR-2019/B70, MIRA has alleviated the academic and professional qualification criteria along with experience requirements of auditors to qualify for various audit categories. This ruling is an amendment to previously issued tax ruling TR-2018/B63, dated 5 April 2018.

Additional qualification criteria were covered in this new ruling. Before this amendment, in order to qualify as a category A auditor, one must have to be a registered auditor with MIRA. However, if a person has gained post-qualification experience in audit or assurance services of not less than 10 years and has been a partner of a partnership registered with MIRA as a category A auditor, for at least 1 year, he will be qualified to be a category A auditor under the new ruling.

With the alleviated category B criteria, a partner has who has gained post-qualification experience in audit or assurance services of not less than 5 years and has been a partner of a partnership registered with MIRA as a category A or category

B auditor, for at least 1 year can now apply.

As for Category C criteria, the requirement for individuals who are fully qualified members of a professional accounting body recognized by MIRA to have post-qualification experience in audit or assurance services of not less than 3 years has been now changed to 2 years. The requirement for individuals with an undergraduate or graduate qualification in accountancy or auditing, or an affiliate member of a professional accountancy body recognized by MIRA to have post-qualification experience in audit or assurance services of not less than 5 years has been changed to 4 years .

The amendments brought via this ruling has broadened the opportunity for auditors to register with MIRA for tax purposes. Interested parties may submit MIRA 109 form in order to register as a MIRA approved auditor. The form will be accepted over the counters and can also be emailed to mta@mira.gov.mv.

Deadline REMINDERS

With the MIRA Maldives mobile application, it is quick and easy to view upcoming tax deadlines and set reminders for such deadlines

