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MIRAPOST



BML to discontinue the issuance and acceptance of Vaaru card



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Bank of Maldives (BML) has announced the discontinuation of the issuance and acceptance of Vaaru card effective from 5 May 2023.

According to BML, upon the suspension of the issuance of new Vaaru cards on 5 May 2023, MasterCard Business Debit cards will be issued to replace the existing Vaaru cards. Existing Vaaru card holders are not required to submit an application for MasterCard Business Debit card, as they will be issued the new card without further request. In

addition, from 5 May 2023 onwards, Vaaru card will be disabled from MIRA online payment options. Instead, MasterCard Business Debit card option will be available on the BML payment gateway.

Vaaru card was launched on 11 May 2015 by BML and MIRA, to facilitate online payments to MIRA via MIRAconnect. As opposed to Vaaru card, the new MasterCard Business Debit Card can be used for all payments to MIRA as well as to other merchants accepting MasterCard.

Income Tax assistance program 2023

Ahmed Shaheen, Deputy Manager, Facilitation

To assist taxpayers with annual income of MVR 10 million or below to file income tax return for tax year 2022, MIRA has initiated a special program that runs from 7 May until 22 June of this year.

This program will be conducted via telephone, email and other such online media.

Under Income Tax Act, income subject to tax encompasses of business income, remuneration

and other income types stipulated in section 3 of the act. Hence, taxpayers whose total income for the tax year 2022 is less than or equal to MVR 10 million, and wishes to prepare financial statements in "cash basis", would require assistance in preparation of income tax return and financial statements for tax year 2022, may reach us via our Viber number 9821415, or via facilitation@mira.gov.mv, or via our hotline 1415. Those who require assistance, also may message us via chat function available on our website.

The Supreme Court has upheld the decision of MIRA regarding the calculation of capital allowance for ADK Building and ADK Tower



Photo credit: One online

The Supreme Court of Maldives has ruled out in favor of MIRA's decision to consider the value of ADK Building and ADK Tower submitted by ADK Enterprises to the state authorities in computation of capital allowance. The Supreme Court's judgement was passed with regard to ADK Enterprises vs Maldives Inland Revenue Authority case (2022/SC-A/37) on 17 April 2023.

The question of law in this case was whether an estimate of the value of the asset held by the person on the date of commencement of the BPT Act could be taken into consideration when the value of the asset is known. According to section 46 of BPT Regulation, to determine the value of asset held by a person at the commencement of BPT Act, for each year or part of the year in which asset was used starting from the date of purchase, purchase price must be multiplied by the capital allowance rate stipulated in section 50 of the aforementioned regulation and must be deducted from the purchase price. If

purchase price is not known a reasonable estimate must be made to determine the initial value of the asset.

MIRA's stand was that ADK Enterprises had calculated the capital allowance on the basis of estimates based on a valuation report prepared by the directors of the company claiming that they had not maintained details of expenditure incurred in their personal capacity despite knowing the value of the assets.

With regard to this case, since the taxpayer has submitted documents to state authorities that can depict the value of ADK Building and ADK Tower declared by the taxpayer, the Supreme Court of Maldives ruled out that the instance does not comprises of a situation where value of the property should be determined by an estimate and such estimates can only be made in situations where the value of such assets cannot be determined.

GOODS AND SERVICES TAX (GST)

Registration

Persons required to register for GST are;

1. Persons providing tourism goods and services
 2. Persons importing goods to the Maldives
(Excluding persons who import goods for personal use and government authorities who import goods to the Maldives)
 3. Persons whose total value of taxable supplies for past 12 months exceed MVR 1,000,000
 4. Persons whose taxable supplies for the following twelve months is expected to exceed MVR 1,000,000
- A person carrying on business or providing service under a permit, who is not required to be registered with the MIRA, has discretion to voluntarily request the Commissioner General to register the person with MIRA.
 - You can register for GST by submitting MIRA 105 (GST Registration) form.

