



MALDIVES
INLAND REVENUE
AUTHORITY

How to complete the Non-resident Withholding Tax Return (MIRA 602)

This is a step-by-step guide to help you fill in the Non-resident Withholding Tax Return (MIRA 602, Version 23.1). Most of your questions will be answered here. If you need more help, call 1415 or send an email to 1415@mira.gov.mv

Version: 23.1

Read the following instructions before you read the rest of the guide.

1. Your Non-resident Withholding Tax (NWT) Return must be filed via our online portal “MIRAconnect”. If you are faced with a situation where you are unable to file through the portal, you may request us to allow you to file “offline”. We will allow you to do so if your circumstances are genuine and exceptional.
2. If you are making a payment listed in section 55 of the Income Tax Act (Act No. 25/2019) to a non-resident you must deduct NWT from the gross amount of the payment and must file this return, together with the payment of NWT, no later than the 15th of the month following the month in which the NWT was deducted.
3. Unless otherwise mentioned, round of all the figures on your return to the nearest MVR.

How to complete Non-resident Withholding Tax Return

To file a Non-resident Withholding Tax Return, you must first select the relevant month from the dropdown menu at the bottom of your “Pending Tasks” page of MIRA connect. Select the month and click “Continue”. You will be redirected to the Non-resident Withholding Tax Return. For guidance on using MIRAconnect, refer to the MIRAconnect User Guide (M822). Following information will be filled automatically.

If you are filing the return “offline”, you must fill in the following information in the box at the top of your return before you start populating the figures.

TIN (Taxpayer Identification Number)

Your TIN is a unique identification number issued to you when you register with MIRA under the Tax Administration Act. In this box, enter the TIN as shown on the Notification of Registration issued to you. NWT return will only be accepted with the correct TIN.

Month Covered by this return

You deducted NWT from the payment made to the non-resident in this month.

Taxpayer Name

In this box, enter the name of the taxpayer as it appears on the Notification of Registration.

Example

TIN (Taxpayer Identification Number) 1 2 3 4 5 6 7 <small>Your TIN as it appears on your Notification of Income Tax Registration</small>	Month Covered by this Return 0 1 2 0 2 0 <small>Specify the month covered by this return, in MM/YYYY format</small>
Taxpayer Name ABC Private Limited <small>Your name as it appears on your Notification of Income Tax Registration</small>	

Please complete the table on page 2 before completing the rest of the page 1.

Fill in the payments and adjustments made during the period covered by this return that are subject to Non-resident Withholding Tax (NWT) under section 55 of the Income Tax Act (Law Number 25/2019)

When you are filing online, you will have two option to add your payments to the table. Either you can click plus sign (+) and fill in the relevant information or click the “arrow” button and upload an excel sheet.

If you are filing “offline”, complete as shown below.

Payments and adjustments made during the period covered by this return that are subject to withholding tax under Section 55 of the Income Tax Act (Law number 25/2019)

In this row;

No.: Please enter the ordinal rank of payments that you have deducted NWT from, which relates to the month covered by this return.

Name of payee: Please enter the name of the non-resident to whom you have made the payment.

Address of payee: Please enter the address of the non-resident to whom you have made the payment.

Tin of payee: Please write the Taxpayer Identification Number (TIN) of the payee if the payee has a Permanent Establishment (PE) in Maldives. If payee do not have a PE in Maldives leave this column blank.

Date on which payment was made or became payable whichever occurred earlier: Please enter the date on which the payment was paid/adjusted or became payable, whichever came earlier. Include the dates falling within the period covered by this return only.

Brief description of payment or adjustment: Please write an explanation of the payment you made to the non-resident.

Business activity to which the payment relates: Please enter the business activity number (as shown on your Notification of Income Tax Registration) of the activity to which the payment / transaction relates. If the payment relates to more than one business activity, specify the activity number to which the highest proportion of the payment relates.

Payment Category: Please enter the Category from A - J as per the "CATEGORY-WISE SUMMARY OF TAX WITHHELD" on the front page of Return. You can also view the Withholding tax category when you click to plus (+) sign to add a payment and chose it from dropdown menu. State here the category of the payment, which relates to the withheld amount.

For category A, B, C, D, E, F, G, H and J, withholding tax applies at 10% of the payment. For category "I", withholding tax applies at 5% of the payment.

Year to which the payment relates: In this column, enter the year in which the payment was paid or became payable, whichever comes earlier.

Is a tax rate under a treaty being applied to the payment (If yes, state the country): If a rate under a Double Tax Avoidance Agreement (DTAA) is applied to the payment, state the country with which the DTAA has been signed and submit a valid residency certificate of the non-resident to whom the payment is made. Withholding tax must be calculated at the rate applicable for that payment category under the DTAA

Is the payee a PE? [Yes/No]: Indicate whether the payee is a non-resident carrying on business through a Permanent Establishment (PE) in the Maldives.

Does Article 9 of UAE treaty apply to the payment?: Indicate whether Article 9 of the Maldives - UAE treaty applies to the payment. You must indicate it by writing Yes/No in this column.

Amount from which tax is required to be withheld (in transaction currency): In this column, enter the gross amount payable to the non-resident.

Amount from which tax is required to be withheld (MVR): Please enter the gross amount pertaining to the payment in which NWT should be deducted. This amount must be written in Maldivian Rufiyaa, rounded off to two decimal places.

If a payment is made in a currency other than Rufiyaa, in making the payment of Non-resident Withholding Tax to the MIRA, such amount shall be converted to Rufiyaa using an exchange rate within $\pm 2\%$ (plus or minus two per cent) of the rate published by the Maldives Monetary Authority on the date that the tax was liable to be withheld. The source of the foreign exchange rates adopted by a taxpayer must be used consistently.

Tax withheld (MVR): Please enter the amount you have deducted as NWT from the gross payment made to the non-resident. This amount must be written in Maldivian Rufiyaa, rounded off to two decimal places.

Example I

Payments and adjustments made during the period covered by this return that are subject to withholding tax under Section 55 of the Income Tax Act (Law Number 25/2019)

No.	Name and address of payee	TIN of the Payee ¹	Date on which payment was made or became payable, whichever occurred earlier ²	Brief description of payment or adjustment	Business activity to which the payment relates ³	Payment category ⁴	Year to which the payment relates	Is a tax rate under a treaty being applied to the payment? <i>If yes, state the country</i>	Is the payee a PE? <i>[Yes/No]</i> ⁵	Does Article 9 of UAE treaty apply to the payment?	Amount from which tax is required to be withheld (in transaction currency)		Amount from which tax is required to be withheld (MVR) ⁶	Tax withheld (MVR) ⁷
											Currency	Amount		
1	ABC Company Pvt Ltd. 26 Waterloo Rd, North Ryde NSW, 2113, Australia		18 July 2023	Dividends	003	D	2023		No		USD	152	2343.84	234.3

Amount from which tax is required to be withheld (MVR): Exchange rate used in the example is USD 1 = MVR 15.42, Therefore USD 152 = MVR 2343.84 (152 x 15.42).

Tax withheld (MVR): NWT calculation, 2343 x 10% = 234.3

Example 2: A specific tax rate under a treaty applied to a payment

Payments and adjustments made during the period covered by this return that are subject to withholding tax under Section 55 of the Income Tax Act (Law Number 25/2019)

No.	Name and address of payee	TIN of the Payee ¹	Date on which payment was made or became payable, whichever occurred earlier ²	Brief description of payment or adjustment	Business activity to which the payment relates ³	Payment category ⁴	Year to which the payment relates	Is a tax rate under a treaty being applied to the payment? <i>If yes, state the country.⁵</i>	Is the payee a PE? <i>[Yes/No]⁶</i>	Does Article 9 of UAE treaty apply to the payment? ⁷	Amount from which tax is required to be withheld (in transaction currency)		Amount from which tax is required to be withheld (MVR) ⁸	Tax withheld (MVR) ⁹
											Currency	Amount		
1	ABC Company Pvt Ltd. 26 Waterloo Rd, North Ryde NSW, 2113, Australia		18 July 2023	Royalty	003	B	2023	UAE	No	No	USD	152	2343.84	170.4

Amount from which tax is required to be withheld (MVR): Exchange rate used in the example is USD 1 = MVR 15.42, Therefore USD 152 = MVR 2343.84 (152 x 15.42).

Tax withheld (MVR): NWT calculation, 2343 x 7% = 170.4

Maldives - UAE DTAA applies to this payment, hence NWT is calculated at the rate applicable for Royalty payments under the DTAA which is 7%.

Example 3: Article 9 of the Maldives – UAE DTAA applied to a payment

Payments and adjustments made during the period covered by this return that are subject to withholding tax under Section 55 of the Income Tax Act (Law Number 25/2019)

No.	Name and address of payee	TIN of the Payee ¹	Date on which payment was made or became payable, whichever occurred earlier ²	Brief description of payment or adjustment	Business activity to which the payment relates ³	Payment category ⁴	Year to which the payment relates	Is a tax rate under a treaty being applied to the payment? <i>If yes, state the country.⁵</i>	Is the payee a PE? <i>[Yes/No]⁶</i>	Does Article 9 of UAE treaty apply to the payment? ⁷	Amount from which tax is required to be withheld (in transaction currency)		Amount from which tax is required to be withheld (MVR) ⁸	Tax withheld (MVR) ⁹
											Currency	Amount		
1	ABC Company Pvt Ltd. 26 Waterloo Rd, North Ryde NSW, 2113, Australia	1231234	18 July 2023	Royalty	003	B	2023	UAE	Yes	Yes	USD	152	2343.84	0

Amount from which tax is required to be withheld (MVR): Exchange rate used in the example is USD 1 = MVR 15.42, Therefore USD 152 = MVR 2343.84 (152 x 15.42).

Tax withheld (MVR): NWT calculation, 2343 x 0% = 0

Article 9 of the Maldives - UAE DTAA applies to this payment, hence NWT is calculated at 0%.

According to the Income Tax Act, payments received as consideration for the use of, or the right to use, commercial or scientific equipment such as ships and aircrafts fall under the definition of Royalty. However, according to the DTAA between UAE and the Maldives, the definition of Royalty does not include the use of, or the right to use, commercial or scientific equipment such as ships and aircrafts. Instead such payments fall under the Article 9 of the DTAA. Hence, in order to determine the rate at which tax should be withheld for the two categories of payment, please refer to the below rules.

If your royalty payment is made to a resident of the UAE as consideration for the lease of a ship or aircraft:

According to the Article 9 of the DTAA, the payment shall be taxed in UAE whether or not the payee conducts business in Maldives through a permanent establishment. Hence,

- if the payee is a PE, tax shall be withheld at 0%
- if the payee is not a PE, tax shall be withheld at 0%

If your royalty payment is made to a resident of the UAE as consideration for any activity which falls under the definition of royalty prescribed in the Income Tax Act, except the payment made for the lease of a ship or aircraft:

According to the DTAA, the rate at which tax shall be withheld defers depending on whether your payee conducts business in Maldives through a permanent establishment or not. Hence,

- if the payee is a PE, the DTAA rates do not apply. Hence, tax shall be withheld at the standard rate of 10%
- if the payee is not a PE, the DTAA rates apply. Hence, tax shall be withheld at the rate of 7%

Now go back to first page

SUMMARY OF WITHHOLDING TAX ASSESSMENT

When you upload the excel sheet to MIRAconnect and click “check and calculate” button at top of the page, it will automatically compute all items on your return other than Item 3 (Amount being paid).

If you are filing the return “offline”, you must fill in the following information.

1. Total amount from which tax is required to be withheld

Total of the column “Amount from which tax is required to be withheld (MVR)” in page 2.

2. Total amount of tax withheld

Total of the column “Tax withheld” in page 2.

3. Amount being paid

This is the amount being paid while submitting this return. If the amounts in boxes 2 and 3 are different, you must provide an explanation in the space provided.

CATEGORY-WISE SUMMARY OF TAX WITHHELD

Categories from A – J state the payments that are subject to NWT. For category A, B, C, D, E, F, G, H and J, Non-resident Withholding Tax applies at 10% of the payment. For category “I”, Non-resident Withholding Tax applies at 5% of the payment.

In the boxes given next to each category, include the amounts that are subject to NWT and the payment, which was withheld from the relevant payment, respectively. Amounts must be entered in Maldivian Rufiyaa.

SUMMARY OF NON-RESIDENT WITHHOLDING TAX ASSESSMENT

A. Rent in relation to immovable property situated in the Maldives

This relate to rent which you pay to a non-resident in order to use an immovable property.

B. Royalty

“Royalty” is defined as a payment of any kind received as a consideration for the following purposes:

(I) the use of, or right to use, a copyright, patent, plant variety right, trademark, design or model, plan, secret formula or process, or other similar property or right;

i. royalty paid for the use of, or the right to use of a copyright shall include royalty paid for the use of, or right to use of the following types of copyright:

- (i) a copyright in bespoke software, or
 - (ii) a copyright that the payer has the right to exploit, or
 - (iii) a copyright in software that the payer has the right to copy, modify, reverse engineer or decompile.
- (2) extraction, removal or exploitation of, or the right to extract, remove, or otherwise exploit, any naturally formed mineral, oil, gas or any other recourse of similar nature;
- (3) the use of, or the right to use, any:
 - i. cinematograph film;
 - ii. film, videotape or other electronic recording used for television broadcasting;
 - iii. tape or other electronic recording used for radio broadcasting;
 - iv. film, video or other electronic recording used for internet broadcasting.

C. Interest (other than interest paid or payable to a bank or non-banking financial institution approved by MIRA)

This related to interest paid, payable to a bank, or other or non-banking financial institution not approved by MIRA.

Interest is defined as interest on all forms of debt, payments economically equivalent to interest and expenses incurred in connection with the raising of finance, including arrangement fees and guarantee fees.

D. Dividends

This related to dividends paid or payable to a nonresident.

Dividend is defined as any income derived from shares or otherwise in respect of share of profit that does not constitute return on debt.

E. Fees for technical services

Fees for technical services are payment in consideration for rendering managerial, technical or consultancy services or a service of similar nature that does not constitute remuneration for employment.

F. Commissions paid for services provided in the Maldives

This related to commission that you make for services provided in the Maldives.

Commission paid for services provided in the Maldives does not include commission charged by a Bank to deposit or transfer money and commission charged by a Bank to use a card issued by the Bank.

G. Payments for performances by public entertainers in the Maldives

This relates to payments that you make for the performances by to a stage, radio, television or internet artiste, a musician, an athlete or an individual exercising any profession or vocation of a similar nature.

H. Payments for carrying out research and development in the Maldives

This relate to payments paid in relation to carrying out research and development in the Maldives.

I. Payments to a contractor

This related to payment made to a non-resident contractor. “Non-resident contractor” refers to a person not resident in the Maldives who undertakes, under a contract, agreement, or arrangement (other than as an employee):

- (i) to perform services of any kind in the Maldives; or
- (ii) to supply the use of, or right to use, in the Maldives any services of another person.

J. Insurance premium paid

This relate to insurance premium paid to a non-resident. Insurance premium does not include “re-insurance premium”.

Example 4:

Please complete the table overleaf before filling in this page

Rufiyaa
(rounded off to the nearest Rufiyaa)

SUMMARY OF NON-RESIDENT WITHHOLDING TAX ASSESSMENT

1	Total amount from which tax is required to be withheld	2344.00
2	Total amount of tax withheld	234.00
3	Amount being paid	0.00
4	Fine for Late Filing (MVR 50 per day)	0.00
5	Fine for Late Filing (0.5% of payable)	0.00

If the amounts in Boxes 2 and 3 are different, please provide an explanation below.

CATEGORY-WISE SUMMARY OF NON-RESIDENT WITHHOLDING TAX

	Amount from which tax is required to be withheld (MVR) <small>(rounded off to the nearest Rufiyaa)</small>	Tax withheld (MVR) <small>(rounded off to the nearest Rufiyaa)</small>
A	Rent in relation to immovable property situated in the Maldives	0.00
B	Royalty	0.00
C	Interest (other than interest paid or payable to a bank or non-banking financial institution approved by MIRA)	0.00
D	Dividends	2344.00
E	Fees for technical services	0.00
F	Commissions paid for services provided in the Maldives	0.00
G	Payments for performances by public entertainers in the Maldives	0.00
H	Payments for carrying out research and development in the Maldives	0.00
I	Payments to contractor	0.00
J	Insurance premium paid	0.00



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