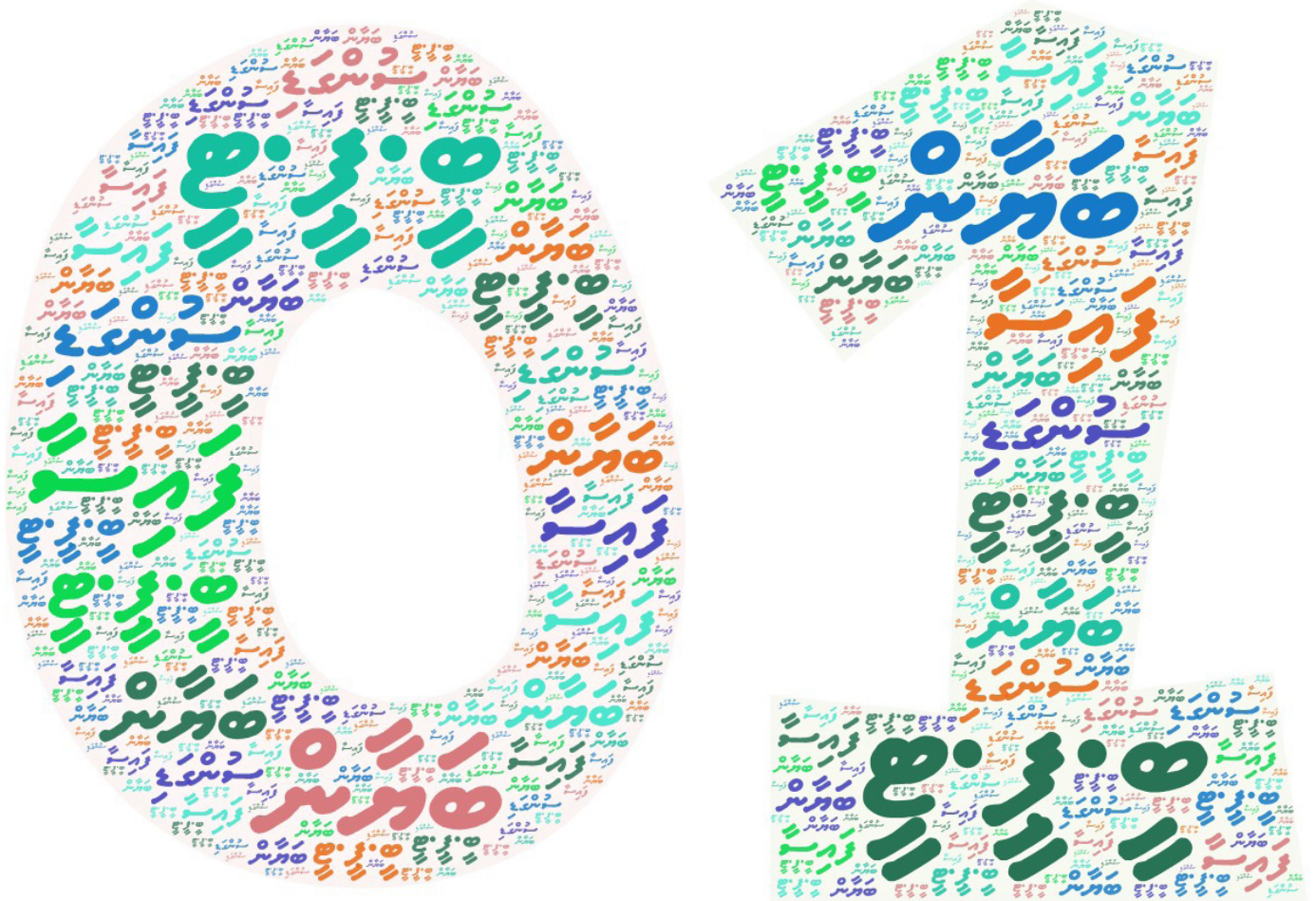
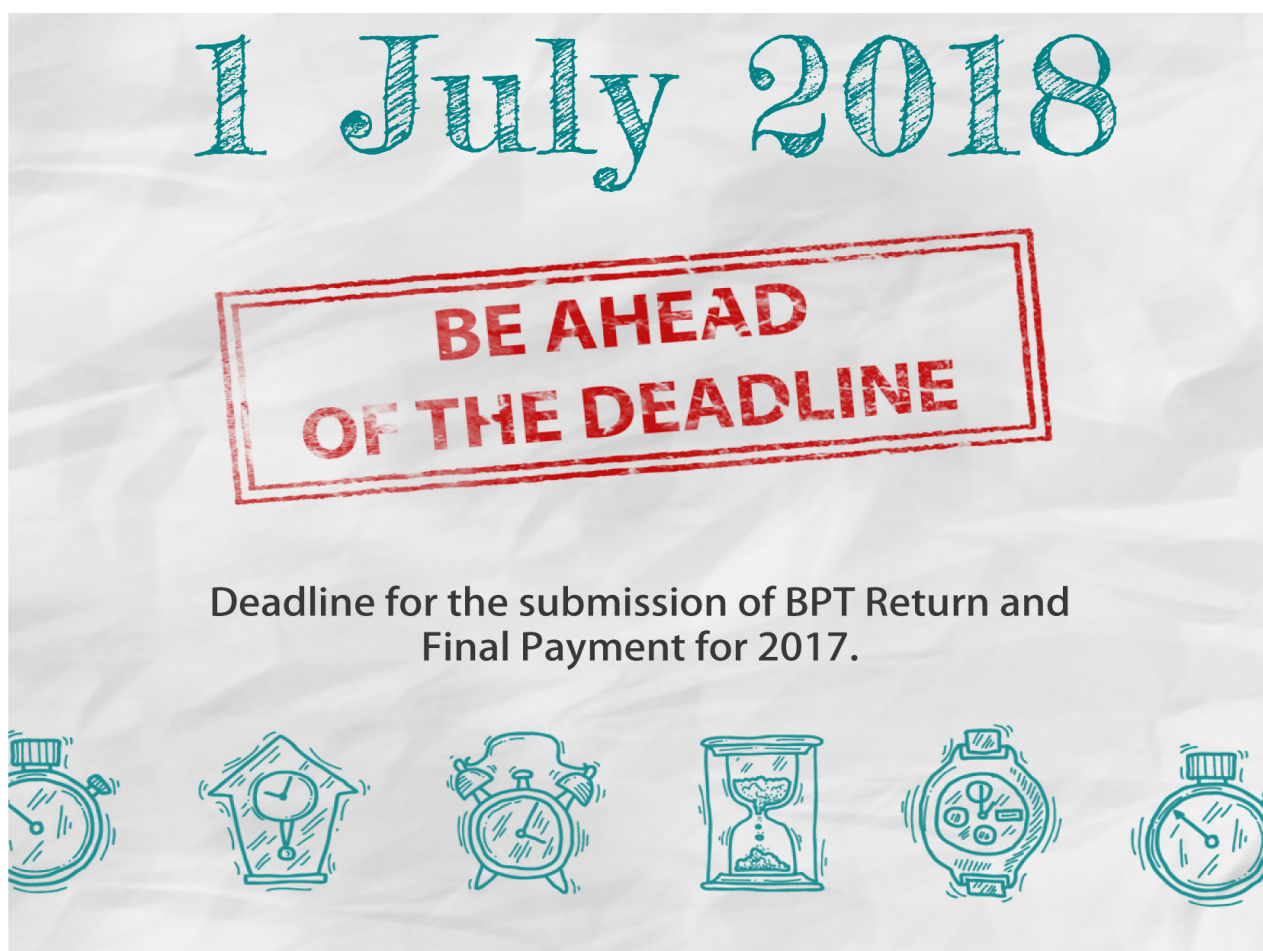


Deadline for BPT return



1 July 2018

Deadline for BPT return for the year 2017 is 1 July 2018



Ahmed Shaheen
Senior Tax Officer, Maldives Tax Academy

The deadline for filing BPT return for the tax year 2017 is 1 July 2018. Companies, partnerships and other entities, except individuals and deemed partnerships, are required to submit their BPT returns before deadline irrespective of their level of income. Individuals and deemed partnerships with an annual turnover of more than MVR 1 million or taxable profit of more than MVR 500,000

in the year 2015 or 2016 are required to file a BPT tax return for tax year 2017.

The BPT return, unlike other tax returns, is quite complex and comes with the obligation to furnish financial statements to be submitted together with the return. Taxpayers must ascertain the requirements of the financial statements that are to be prepared and appoint an auditor if the taxpayer is required to audit his financial statements. It is therefore essential that taxpayers work

on the preparation of the BPT return and its requirements well ahead of time.

Taxpayers with an annual turnover of less than MVR 10 million are not required to submit an auditor's report. This exemption, however, does not apply if a taxpayer has submitted an auditor's report for tax year 2015 or 2016. That is, even if such taxpayers' do not reach the threshold of MVR 10 million, they must submit the auditor's report for tax year 2017 and the financial statements must be prepared

using the accrual basis of accounting.

Another aspect to be mindful about in relation to the submission of the BPT return for tax year 2017 is that taxpayers with an annual turnover of more than MVR 10 million, filing their returns after 1 June 2018, are now required to submit their BPT returns online via MIRAconnect. However, taxpayers except those with an annual turnover of more than MVR 100 million, can make their BPT related payments at the counters.

The list below summarizes how the financial statements should be prepared for the purposes of BPT.

Financial Statements	Accrual Basis		Cash Basis	Only rental Income & elect 20% deduction
	More than 10 million annual turnover	Less than 10 million annual turnover		
Statement of Profit or Loss and Other Comprehensive Income	✓	✓	✓	✗
Statement of Financial Position	✓	✓	✗	✗
Statement of Cash Flows	✓	✓	✗	✗
Statement of Changes in Equity	✓	✓	✗	✗
Notes to the financial statements	✓	✓	✓	✗
Directors Report (Companies only)	✓	✓	✓	✓
Auditors' Report	✓	✗	✗	✗

Requirement for taxpayers with an annual turnover of more than **MVR 5 million** to submit an **output tax statement** together with their **GST return**

Fathimath Amaanee Khalid
Senior Tax Officer, Technical Service

GST registrants whose annual turnover is between MVR 5 million and MVR 10 million are required to submit an output tax statement together with their GST return for taxable periods beginning on or after 1 June 2018. Currently, taxpayers whose annual turnover is more than MVR 10 million are required to submit their output tax statement.

With this change, taxpayers with an annual turnover of more than MVR 5 million are required to submit their input tax statement

and output tax statement and return online via MIRAconnect. This means that monthly filers who are subject to this new requirement must file their returns online for their taxable period ending on 30 June 2018 and quarterly filers for their taxable period ending on 30 September 2018. The login details for the online portal will be emailed to the respective taxpayers.

Information sessions are currently being held for taxpayers that are required to file their returns via MIRAconnect. Taxpayers may register for these sessions through MIRA website or contact MIRA hotline 1415.

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




July 2017						
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

“Employment under contract of service” defined



assigned to him or delegate the performance of his job to another person, unless approved by the employer. The ruling also specifies that the employee should be a person entitled to all the employment benefits as per the Maldives Employment Act (Law Number 2/2008) and that the employee should not have the authority to control the resources and methods of his work.

Aminath Jazlee
Senior Tax Officer, Taxpayer facilitation

MIRA has issued a ruling (TR-2018/B65) defining “employment under contract of service” for the purposes of Business Profit Tax on 24 May 2018.

The ruling sets out 7 attributes to be fulfilled in

an employment relationship for it to be an employment under a contract of service. The ruling requires employer to have the right to control and direct the employee’s work and the employee to work exclusively for that one employer. Additionally, the ruling states that the employee should not have the authority to hire his own helpers , outsource the work

It is required that all of these attributes be fulfilled, but even where all attributes are not fulfilled, MIRA has the discretion to deem an arrangement between the employer and employee to be an employment under a contract of service for exceptional cases. This however will be subject to the registration leeway granted to individual businesses and deemed partnerships.

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Maldives Inland Revenue Authority | MIRAmaldives | Mira Maldives | miramaldives

MIRA Collection for month of May totals to MVR 1 billion



Mariyam Waheed
Assistant Tax Officer, Technical Service

MIRA collected MVR 1 billion as revenue for the month of March. This is a 10.6% increase of the expected amount of revenue for this period. However, this amount is 14.6% less compared to that collected in May last year.

The 10.6% increase compared to the expected level was mainly from Bank Profit Tax paid by banks well ahead of the deadline. The deadline to pay Bank Profit Tax is 31 July 2018.

The largest share of the revenue collected by MIRA during August was contributed by GST, amounting to a total of MVR 610.43 million and this accounted for 58.2% of the total revenue. Bank Profit Tax, amounting a total of MVR 98.71 million and accounting for 9.4% of the revenue, made the second highest contribution. In addition to this, a sum of MVR 64.16 million (6.1%), MVR 57.64 million (5.5%), MVR 57.34 million (5.5%) and MVR 161.24 million (15.4) was collected as Green Tax, Airport Development Fee, Airport Service Charge and other taxes respectively, during the month.

May revenue collection also included a total of USD 38.22 million.

Civil court orders to pay land rent and related fines regarding Haa Alifu. Alidhoo to MIRA

Mariyam Waheed
Assistant Tax Officer, Technical Service

Civil Court has passed judgment on 20 June 2018 against Yacht Tours Investment Pvt Ltd, to pay the land rent dues and non-payment fines imposed with respect to the leasing of Haa Alifu Alidhoo as under the

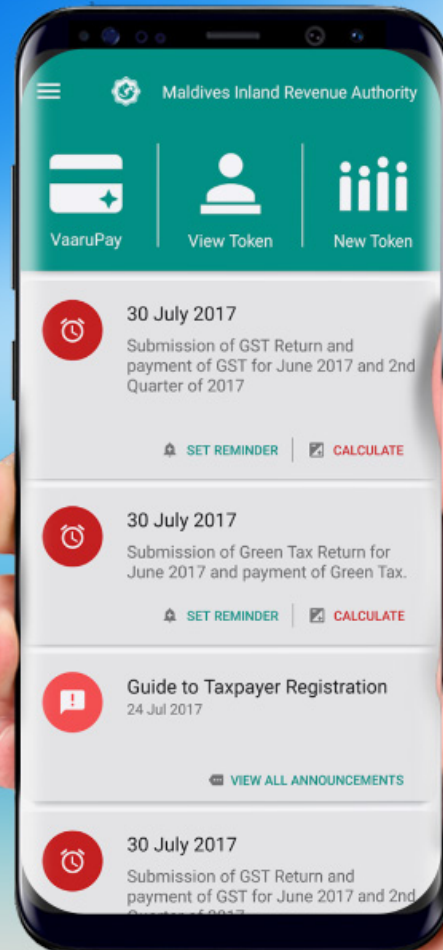
lease agreement signed between Ministry of Tourism and Yacht Tours Maldives Private Limited.

The judgement passed orders Yacht Tours Maldives Pvt Ltd to pay to MIRA the amount claimed by the MIRA, with the imposed penalty, a total of USD 29,007,669, within 12 months from the date of judgment.

MIRA Mobile Application



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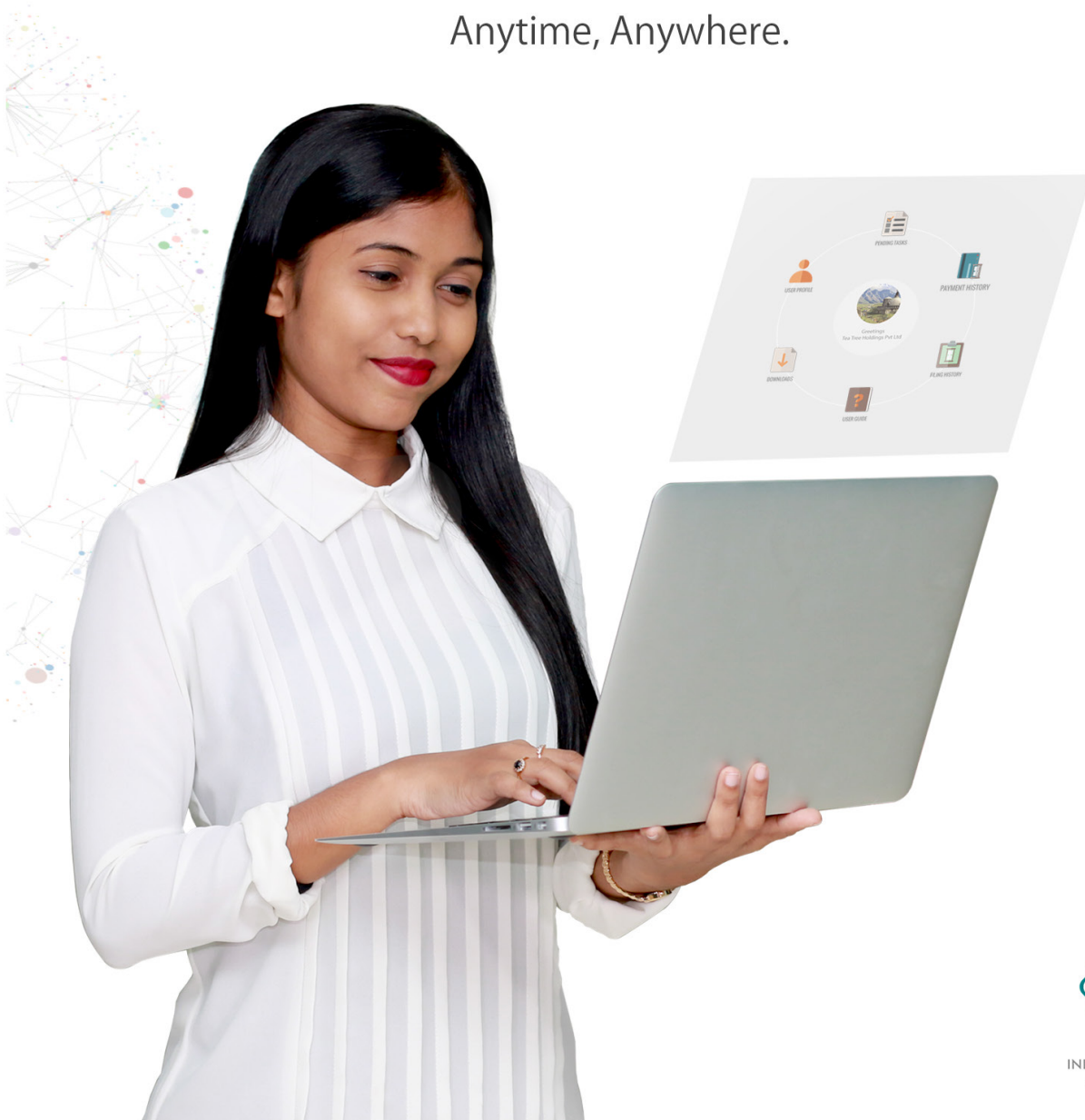
MIRAconnect

ANYTIME, ANYWHERE

Experience the revamped "MIRAconnect" portal, a strategic initiative by MIRA aimed at enhancing the functionality and user-friendliness of our online services!

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