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Consequences of Zero-rated goods and services and Exempt goods and services

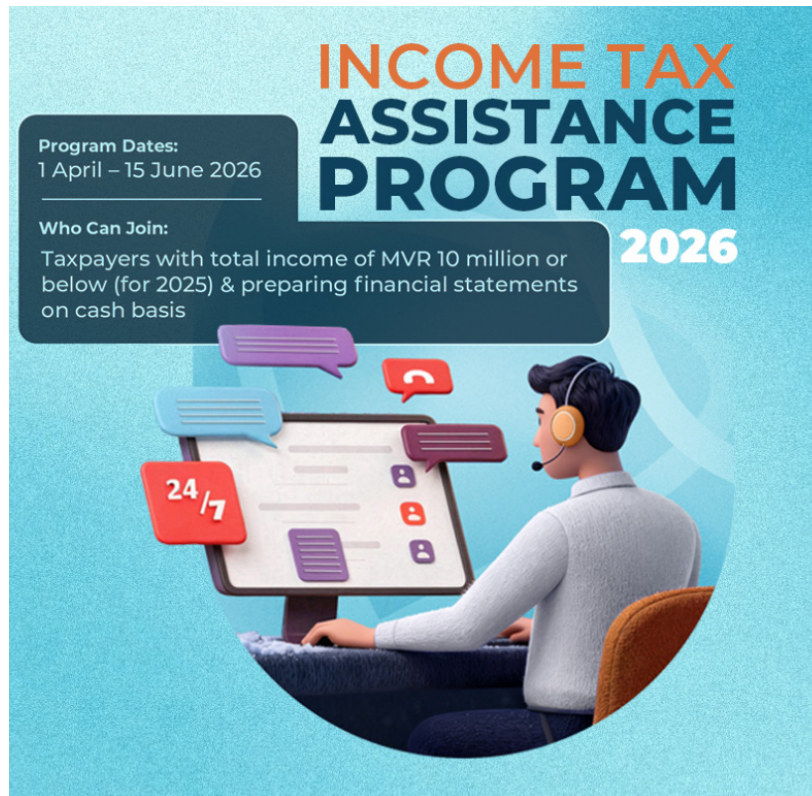


MALDIVES
INLAND REVENUE
AUTHORITY



MIRA

Income Tax Assistance Program 2026



To assist individuals required to submit an Income Tax Return for the year 2025 and who have earned income of MVR 10 million or less, MIRA has decided to conduct a special assistance programme from 1 April to 15 June of this year.

This programme will be carried out using telephone, email, and other online mediums.

Under the [Income Tax Act](#), taxable income includes business income, remuneration, and all other types of income specified under Section 3 of the Act. Accordingly, individuals who earned MVR 10 million or less during the year 2025 and who have opted to prepare their accounts on a cash basis may seek assistance from MIRA in preparing their Income Tax Return and financial statements for the year 2025. Those wishing to obtain assistance may:

- Send a message via Viber to 9821415;
- Send an email to engagement@mira.gov.mv
- Call MIRA's hotline 1415; or
- Submit the details through the live chat function on MIRA's website.

The opportunity to register for this assistance is currently open.

You may use the link below to check whether or not you are required to file an income tax return for the year 2025.

[Income Tax Return Filing Requirements for the tax year 2025](#)

Consequences of zero-rated goods and services and exempt goods and services

Mariyam Waheed, Senior Tax Officer, Tax Academy

Goods and Services Tax (GST) treatment vary depending on the nature of the supply. Two commonly misunderstood concepts in GST are zero-rated goods and services and exempt goods and services. While both result in no GST being collected from the recipient, their implications for suppliers—particularly in relation to input tax recovery and compliance obligations—are significantly different.

This article explains the meaning, consequences, and reporting requirements of zero-rated and exempt goods and services under GST.

Zero-rated goods and services

Zero-rated goods and services refer to the goods and services from which GST is charged at the rate of 0%. Although no tax is collected from the recipient, the supply remains a taxable supply for GST purposes.

Consequence of Zero-rated goods and services

- ▶ The recipient of the zero-rated goods and services is not required to pay GST in relation to the transaction.
- ▶ A GST-registered person supplying zero-rated goods and services is entitled to claim input tax paid to other registered persons.

Example 1: A taxpayer in Vaavu Atoll

purchased a chicken egg case from Malé, on which GST was charged at 0%. He then paid a boat operator a naalu to transport the egg case to his place of business. The boat operator charged GST at 8% on the naalu. The taxpayer may claim the GST paid on the naalu as input tax.

Example 2: A store that sells only fresh fruits (subject to GST at 0%) purchased furniture such as shelves, a deep freezer, and chairs. Even though the shop sells zero-rated goods, it is still entitled to claim the input GST paid on the purchase of the furniture from Maldives.

- ▶ As the supply is taxable (albeit at 0%), the supplier must continue to comply with all GST obligations, including issuing valid tax invoices and receipt.

What “exempt” means

When we say a good or service is exempt from GST, it means that the good or service is not subject to GST, so the supplier must not collect any GST from the recipient of the good or service.

Example: A company (registered with the relevant authority) provides electricity services and also sells tools and machinery related to electricity. The company is registered for GST. Since electricity is exempt for GST purposes, the company must not charge GST on the electricity

supplied. However, as the machinery and tools are standard-rated goods, the company must charge GST on the sale of those items.

Consequences of exempt goods and services

- ▶ The supplier must not charge or collect GST from the recipient of the good or service.
- ▶ The supplier will not be able to claim input tax he paid to other GST registered persons in relation to the supply.

Example: A construction company builds an apartment for rental purposes (an exempt service). In this case, the company cannot claim the input tax incurred on the construction of that apartment. However, if the company constructs a building for commercial sale of apartments (Standard rated), it is entitled to claim the input tax related to the construction.

- ▶ The supplier must not raise a tax invoice in relation the supply. Even if the supplier does raise another type of invoice (for example, a normal invoice or a pro forma invoice), he must not charge any GST for the supply.
- ▶ If an agent charges its principal any agency commission in relation to the supply, such commission will also be exempt.

Although exempt supplies are not subjected to GST, suppliers are still required to maintain proper documentation of such transactions.

Reporting and compliance Requirements

For the purpose of GST “Taxable goods and services” refers to goods and services taxable under the GST Act, including zero-rated goods and services for the avoidance of doubt, it does not include exempt goods and services.

Example: A business supplies standard-rated goods (in a café), zero-rated goods (fresh fruits), and exempt services (renting a commercial

building). When calculating its taxable income, the business should include only the revenue from the café and the sale of fresh fruits.

Thresholds specified in the GST Act:

- ▶ GST registration threshold,
 - When calculating the MVR 1,000,000 registration threshold, businesses are required to include sales from both standard-rated goods and services as well as zero-rated goods and services.
- ▶ Taxable period threshold,
- ▶ Deregistration threshold

Both zero-rated goods and services and exempt goods and services must be included in the GST returns even if GST is not charged on them.

	Zero-rated goods and services	Exempt goods and services
GST treatment	GST charged at 0%	GST not charged
Input tax recovery	Input tax can be claimed	Input tax cannot be claimed
Nature of supply	Taxable supply	Non-taxable supply
Tax invoice	Required	Not required

While zero-rated goods and services and exempt goods and services may appear similar because no GST is charged to the recipient, they have distinct legal and practical consequences for GST-registered persons. GST-registered persons are encouraged to carefully assess the nature of their supplies and ensure they are correctly classified and reported in their GST returns. For further clarification, taxpayers may refer to following guides:

- ▶ [Guide to Zero-rated Goods and Services](#)
- ▶ [Guide to Exempt Goods and Services](#)

The Role of the Tax Academy in Taxpayer Education

Aishath Inaan Hathim, Senior Tax Officer, Tax Academy

Promoting tax awareness and providing accurate tax information to taxpayers is one of the core objectives of MIRA, as stipulated in the Tax Administration Act. In line with this objective, MIRA consistently undertakes initiatives to ensure that taxpayers and the general public have access to reliable tax information through a diverse range of communication channels.

As such, MIRA's Tax Academy is dedicated to helping taxpayers understand how the tax system works and how to comply with tax laws confidently. Through information sessions, training programs, and easy to use guidance materials, the Academy provides taxpayers with the knowledge and tools they need to understand and meet their obligations correctly and on time.

MQA Approved courses

As part of its specialized activities, the Tax Academy has registered an institute known as the "Maldives Tax Academy", through which it conducts a certificate level tax course recognized



by the Maldives Qualifications Authority (MQA).

Certificate I in Taxation in the

Maldives is a specialist qualification designed to provide a comprehensive understanding of the Maldivian taxation system. The programme covers key areas including tax administration, Goods and Services Tax, Income Tax, Green Tax, and the fundamentals of International Taxation. This program has become particularly popular among tax professionals and individuals seeking to develop expertise in taxation. Applications are accepted throughout the year, and eligible participants may register through the MIRA website.

The Tax Academy further plays an important role in the training and professional development of tax agents, while also ensuring that tax agents and auditors remain informed about updates and changes to tax laws and regulations.

Information sessions

The information sessions conducted by the Tax Academy include sessions on the different taxes administered by MIRA, how to prepare tax returns and how to submit returns using MIRACONNECT. Public information sessions are open to all interested participants and can be accessed by registering through MIRA website.

In addition, taxpayers and other stakeholders can request for customized sessions through the website. Such sessions can be conducted at MIRA premises, online, or through on site visits, depending on the nature of the request and practical considerations.

In addition, the Tax Academy actively conducts outreach programs beyond Malé, visiting businesses and the public in other atolls to provide tax information. Targeted information sessions are also systematically held for government offices, as well as school and university students, with the aim of fostering early awareness and a foundational understanding of the tax system.

Tax awareness materials

Beyond in person and online information

sessions, the Tax Academy has developed a range of self service resources, available on the MIRA website, to support taxpayers in meeting their obligations. These include comprehensive tax guides, leaflets, and step by step instruction sheets on completing tax returns. All tax laws, regulations, and published tax rulings are also made available on the website, ensuring transparency and accessibility. As an additional support, the website also provides frequently asked questions (FAQs) with clear and practical answers to address common taxpayer concerns.

MIRA encourages all taxpayers and stakeholders to take full advantage of the training programs, information sessions, and online resources offered through the Tax Academy. These initiatives are intended to promote voluntary compliance and improve understanding of tax obligations.

The screenshot shows the MIRA website's Tax Academy page. The top navigation bar includes links for LEGISLATION, FORMS, GUIDES, WHISTLEBLOWER, TAX ACADEMY, and ONLINE SERVICES. The main content area is titled 'Tax Academy' and 'Upcoming sessions'. It lists four sessions with 'Apply' buttons:

Session Name	Number	Language	Start Date	Action
Income tax return filing session	396/2026	English	14 May 2026 11:30	Apply
GST information session	397/2026	Dhivehi	20 May 2026 11:00	Apply
Income Tax information session	398/2026	Dhivehi	20 May 2026 15:00	Apply
Income tax return filing session	399/2026	Dhivehi	21 May 2026 15:00	Apply

The footer contains several columns of links: 'Who We Are' (About MIRA, Mission and Vision, Awards and Achievements), 'Our Plans' (Strategic Plan, Operational Plan, Taxpayer Charter, CSR), 'Our Team' (Management, Board Members, Organizational Structure, Salary Structure), 'Right to Information' (Information Officer, Review Committee), 'Tax Professionals' (Register as a Tax Agent, MIRA Licensed Tax Agents, Approved Auditors), 'Affiliations', 'Legal Cases', 'Public Consultation', 'Tax Bills', 'Work With Us' (FAQ's, Feedback), and 'Connect With Us' (Contact Details, Locate Us, Download App).

<https://www.mira.gov.mv/>



First CPD Program of 2026

How to complete Income Tax Return (MIRA 604) and Schedules



Are you interested in participating in a tax information session?

GST information session

Date: 20 May 2026 Time: 11:00 - 12:00 Language: Dhivehi

Income Tax information session

Date: 20 May 2026 Time: 15:00 - 16:00 Language: English

Income tax return filing session

Date: 21 May 2026 Time: 15:00 - 16:00 Language: Dhivehi

If you wish to participate, please register through the link below:

<https://www.mira.gov.mv/Pages/View/upcomingsessions>

Any queries regarding tax?

