Version: 26.1

MALDIVES
INLAND REVENUE
AUTHORITY

Income Tax Return
(MIRA 604)

Instructions for Persons Deriving only Rental Income from Immovable Property (20% Deduction Option)

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Last updated: 02 November 2026

Introduction

1. This guide applies to you only if:
    - your total income for the tax year was rental income from immovable property only; and
    - you prepare your accounts on cash basis; and
    - you have elected, under Section 28 of the Income Tax Act (ITA), to deduct an amount equal to 20% for your rental income as the deduction against rental income from immovable property. [20% deduction option].
2. You can only use 20% deduction option, if your accounts have been prepared on cash basis. You may prepare your accounts on a cash basis only if either of the following applies:
    - If the Income Tax Return relates to a tax year before 2026, your total income for the tax year was not more than MVR 10 million; or
    - If the Income Tax Return relates to the 2026 tax year or a subsequent tax year, all of the following apply
        - Your annual total income does not exceed MVR 10 million;
        - The total cost of your business non-current assets does not exceed MVR 30 million; and
        - The total cost of your business non-current assets, including assets under development and assets being acquired, is not expected to exceed MVR 30 million
3. If you derived any other income in the tax year, please refer to A Comprehensive Guide on the Income Tax Return (MIRA 604).
4. You must file an income tax return (MIRA 604) for the year:
    - if you are an individual and;
        - your total income for the tax year or the previous tax year was more than MVR 2 million. [This figure must be reduced proportionately if the accounting period is shorter than 1 year]; or
        - your taxable income for the tax year or the previous tax year was more than MVR 720,000. [This figure must be reduced proportionately if the accounting period is shorter than 1 year].
    - if you are a deemed partnership and;
        - your total income for the tax year was more than MVR 2 million. [This figure must be reduced proportionately if the accounting period is shorter than 1 year]; or

- your taxable income for the tax year was more than MVR 500,000. [This figure must be reduced proportionately if the accounting period is shorter than 1 year].

- if you are a company, partnership, cooperative society, or a permanent establishment of a non-resident, notwithstanding the amount of gross income and taxable income.

  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

5. Even if you are not required to file an income tax return, you can choose to file an income tax return.
6. Your annual income tax return and payment is due by 30 June of the following year.
7. You are not required to submit financial statements with the return.
8. If you are using the fillable version of this form, respective figures will be calculated automatically.

IMPORTANT: *It is an offence to declare false information or fail to include required information in tax returns. The Tax Administration Act imposes severe penalties for such offences. Willfully declaring false or incorrect information in this tax return with the intent to evade tax is a criminal offence, and MIRA has the power to initiate a criminal investigation against such taxpayers where MIRA believes such an offence has been or is being committed.*

Non-filing penalty: *If you do not file your Income Tax return or file it late, you will be required to pay a penalty of 50 Rufiyaa per day and 0.5% of your Total Tax Payable for the year (Item E on your Income Tax return) for that period.*

Non-payment penalty: *If you do not pay your Income Tax or pay it late, you will be required to pay a penalty of 0.1% of the outstanding amount per day.*

Parts of the Income Tax Return (MIRA 604) that are relevant to you

You are required to fill the following parts of the Income Tax Return to the extent applicable to you.

Section / Part	Page
Taxpayer information box	1
Computation of income tax payable	1
Declaration	1
Document checklist	2
Section A	4
Section C	11
Statement of donations to state institutions and approved charitable organization	15
Statement of sponsorships paid in money as specified in Section 35 of the Sports Act (Law number 30/2015)	16

How to fill the Income Tax Return

Before you start populating the figures, you must fill in the following information in the box on the first page of your return. Please note that it is compulsory for you to fill in all the information specified in the box. Your return will not be accepted if any field in the box is left blank. If a field is not applicable to you (for example, your address has no apartment number or level), put a dash (-) in the respective box.

- TIN (Taxpayer Identification Number): In this box, enter the TIN as shown on the Notification of Income Tax Registration issued to you. Your return will only be accepted with the correct TIN.
- Taxpayer Name: In this box, enter the name of the taxpayer as shown on the Notification of Income Tax Registration issued to you. If the taxpayer's name does not match the TIN, the return will be rejected.
- Taxpayer Type (Tick the applicable boxes): Tick either box "Individual" or "Company/Partnership/Others" as appropriate.
- If you are a company within a group of companies, provide the number of companies in the group subject to income tax (exclusive of you): If you are company in a group of companies, provide number of remaining companies to which the Income Tax Act applies.

- Residency status (Tick the applicable box): This is your residency status in the tax year to which this return relates.
    - Resident: If you are a resident in Maldives for tax purpose, tick this box.

      In case of an individual, any person who fulfills any one of the below conditions is a resident in Maldives.

      - permanent place of living of the person is in the Maldives; or
      - the person is present in the Maldives or intends to be present in the Maldives for an aggregate of 183 days or more in any 12 month period commencing or ending during a tax year; or
      - the person is an employee or official of the Government of the Maldives and is posted overseas during a tax year

      In case of a company, it is a resident company in Maldives if any one of the below conditions are met.

      - incorporated in the Maldives; or
      - has its head office in the Maldives; or
      - control and management is in the Maldives

      In case of a partnership, if the partnership fulfills any one of the below conditions, the partnership will be a resident in Maldives.

      - formed in the Maldives; or
      - control and management of which is in the Maldives

      In assessing the location of a company's or partnership's management and control, consideration should be given to the following factors. These factors are not exhaustive and should be considered alongside all other relevant facts and circumstances.

      a) Where meetings of the board of directors or partners are usually held;
      b) Where high level matters, such as general policies and strategic directions, major agreements and significant financial matters, are decided;
      c) Where the overall performance is monitored and strategic recommendations made in light of performance reviews.

    - Temporary Resident: If you are a temporary resident in Maldives, tick this box.

      "Person temporarily resident in the Maldives" means individuals who are resident in the Maldives and satisfy the following conditions:

      - permitted to stay in the Maldives under the Maldives Immigration Act (Law number 1/2007); and
      - not married to a Maldivian.

    - Non-resident: If you are a non-resident in Maldives for tax purpose tick the indicated box. You are considered a non-resident if you do not meet the requirements to be treated as either a resident or a temporary resident of the Maldives.

- Accounting Period: This is the start date and end date of the accounting period covered by your return.
- Auditor Registration Number: This box is not applicable to you.
- Industry Code: Write L1 in this box, which is the industry code for rental income earners.

You can now proceed to complete the remainder of your return. You must complete pages 2, 4, 11, 15 and 16 to the extent applicable before completing the rest of page 1.

Document Checklist

You are required to submit explanations and supporting documents if you are claiming a foreign tax credit in Item B on page 1.

You are not required to submit any other documents.

Income Tax Assessment

Item I: What is the basis of preparing your accounts?

You have to select "cash basis" in item I as you are making an election under section 28 of the Act.

Item II: State your functional currency

If the Income Tax Return relates to a tax year before 2026, determine your functional currency in accordance with International Accounting Standards 21 (The Effects of Changes in Foreign Exchange Rates). If the Income Tax Return relates to the 2026 tax year or a subsequent tax year, determine your functional currency in accordance with Section 105-1 of the Income Tax Regulation.

II-a) If this is your first tax year:

This section must be completed if this is your first tax year and you wish to elect a functional currency in accordance with the Income Tax Act and Income Tax Regulation.

(a) More than 50% of the total income was estimated to be derived in a specific currency: Tick this box if, at the beginning of your first tax year, you estimated that more than 50% of your total income for the year would be derived in a single currency. Select the relevant currency. If the currency is not MVR or USD, select "Other" and specify the currency.

(b) Estimated to not derive any income in the first tax year: Tick this box if you estimated that your business would not derive any income during its first tax year. You may elect either MVR or USD as your functional currency.

(c) More than 50% of the total income was estimated to be derived in a combination of currencies other than MVR: Tick this box if you estimated that more than 50% of your total income would be derived in two or more foreign currencies and no single currency would account for more than 50% of the total income.

(d) If exactly 50% of the total income was estimated to be derived in a specific currency: Tick this box if exactly 50% of your total estimated income was expected to be derived in a single currency. You may elect either MVR or USD as your functional currency.

II-b) For tax years other than the first tax year:

For the tax year ended immediately preceding the tax year to which this tax return relates

This section must be completed if this return relates to a tax year other than your first tax year. The determination of your functional currency is based on the income derived during the tax year immediately preceding the tax year to which this return relates.

(a) More than 50% of the total income was derived in a specific currency: Tick this box if, during the tax year immediately preceding the tax year to which this return relates, more than 50% of your total income was derived in a single currency. Select the relevant currency. If the currency is not MVR or USD, select "Other" and specify the currency.

(b) More than 50% of the total income was derived in a combination of currencies other than MVR: Tick this box if, during the tax year immediately preceding the tax year to which this return relates, more than 50% of your total income was derived in a combination of foreign currencies and no single currency accounted for more than 50% of the total income.

(c) No income was derived: Tick this box if no income was derived during the tax year immediately preceding the tax year to which this return relates. You may elect either MVR or USD as your functional currency.

(d) Exactly 50% of the total income was derived in a specific currency: Tick this box if exactly 50% of your total income during the tax year immediately preceding the tax year to which this return relates was derived in a single currency. You may elect either MVR or USD as your functional currency.

For the tax year to which this return relates

This section must be completed based on the income derived during the tax year to which this return relates.

(a) More than 50% of the total income was derived in a specific currency: Tick this box if more than 50% of your total income for the tax year to which this return relates was derived in a single currency. Select the relevant currency. If the currency is not MVR or USD, select "Other" and specify the currency.

(b) More than 50% of the total income was derived in a combination of currencies other than MVR: Tick this box if more than 50% of your total income for the tax year was derived in a combination of foreign currencies and no single currency accounted for more than 50% of the total income.

(c) No income was derived: Tick this box if no income was derived during the tax year to which this return relates. You may elect either MVR or USD as your functional currency.

(d) If exactly 50% of the total income was derived in a specific currency: Tick this box if exactly 50% of your total income for the tax year was derived in a single currency. You may elect either MVR or USD as your functional currency.

FUNCTIONAL CURRENCY FOR THE YEAR TO WHICH THIS RETURN RELATES

The functional currency shown below is determined based on your selection in Section II(a), if this is your first tax year, or your selections in items (a) to (d) under Section II(b), if this is not your first tax year.

Accordingly, tick the box corresponding to the functional currency for the tax year to which this return relates.

- ○ Tick here if your functional currency is MVR
- ○ Tick here if your functional currency is USD

Tick here if your functional currency is neither MVR nor USD

Item III : What is your presentation currency?

Presentation currency is the currency in which this return is prepared and presented. The presentation currency is determined based on the above field labelled "Functional currency for the year to which this return relates"

If your functional currency is:

- Rufiyaa, then this return must be presented in Rufiyaa.

  Other than Rufiyaa, then this return must be presented in USD.

Item IV: Type of audit opinion

Tick (e).

Item V: Record keeping

State here how you keep records of your income.

(a) Computerized: Tick here if you have a fully computerized record keeping system.

(b) Semi-computerized: Tick here if you are using computers only to some extent to maintain your records.

(c) Manual: Tick here if you keep your records manually.

- ○ Tick here if you did not derive any business income during the tax year
- ○ Tick here if you did not have any business activities in operation during the tax year

Rental income from lease of immovable property is considered as a business income. As you have received rental income during the tax year, do not tick any of the above boxes.

Item VI: Number of employees at the end of the accounting period

Write the number of Maldivian employees and expatriate employees at the end of the accounting period, separately in the spaces provided.

Item VI: Thin capitalization rule

Tick (b).

Item VIII: Are you a non-resident shipping or aircraft operator in international transportation, and, is your income for the year solely derived from carrying passengers, livestock, mail, parcels, merchandise or goods (income specified in Section 11(r) of the Income Tax Act)

This item is not applicable to you.

Item IX: Is this a special income tax return filed under Section 48 of the Act and 102-2 of the Regulation?

Select "Yes" if this return is being filed as a special income tax return under Section 48 of the Income Tax Act and Section 102-2 of the Income Tax Regulation. A special return may be required where the Commissioner General directs a taxpayer to file a return before the normal filing deadline due to events such as leaving the Maldives permanently, ceasing Maldivian tax residence, terminating a permanent establishment, transferring significant funds or assets out of the Maldives, or other circumstances specified in the Regulation.

Item X: Details of other companies within the group

This table is to be filled ONLY if you are a company in a group of companies. Provide here the details of remaining companies in the group.

- In the first column, write the name of the company.
- In the second column, write the respective company's TIN. If it is not a resident company and the TIN is not available, leave blank.
- In the third column write the country of residence of the company.
- In the fourth column, tick whether or not the company shares the tax threshold with you.

Item XI: Details of financial interest in any shares outside the Maldives

Provide details of all private limited companies and public limited companies in which you hold more than 5% of the voting rights.

- In the first column, write the name and address of the entity in which you hold the interest.
- In the second column, write the country in which the company was incorporated.
- In the third column, write the initial cost of investment in the company by you. Also write the currency of the cost of the investment in the fourth column.
- In the fifth column, write the percentage of your investment in the company

Item XII: Details of immovable property

Immovable property includes property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources, a license or a permit to supply a good or service to the Maldives or any part therein. Ships and aircrafts are not considered immovable property.

If you are a resident in the Maldives, list all immovable property in and outside the Maldives. If you are a non-resident with a permanent establishment in the Maldives, list all immovable property that relate to your operations in the Maldives.

- In the first column, write the name, address and location of the property (omitting the country).
- In the second column, write the purpose for which the immovable property is used. Examples include rental property, office premises, warehouse or storage facilities, staff accommodation, hotel operations, guesthouse operations, or any other business or investment purpose for which the property is held or used.
- In the third column, write the country in which the immovable property is located.
- In the fourth column, write the total cost of the investment in the immovable property.

You may use additional sheets if necessary.

Item XIII: Details of bank accounts

If you are a resident, provide details of:

- all local and overseas bank accounts held in your name; and
- all local and overseas bank accounts used by you.

If you are a non-resident, provide details of:

- all local bank accounts held in your name;
- all local bank accounts used by you; and
- all overseas bank accounts used for your operations in the Maldives.

Bank accounts held jointly with another person must also be disclosed.

- In the first column, write the name of the bank account.
- In the second column, write the bank account number.
- In the third column, write the currency of the bank account.
- In the fourth column, write the name and address of the bank where the account is held.

You may use additional sheets if necessary.

Item XIV: Details of beneficial owners (BOs)

This item is not applicable to you if you are an individual.

Provide the details of natural persons with direct or indirect ownership interest of 25% or more, and natural persons with controlling interests.

Beneficial owner (BO) refers to the natural person(s) who ultimately owns or controls a person and/or the natural person on whose behalf a transaction is being conducted. It also includes those natural persons who exercise ultimate effective control over a legal person or arrangement. Only a natural person can be an ultimate beneficial owner, and more than one natural person can be the ultimate beneficial owner of a given legal person or arrangement.

Reference to "ultimately owns or controls" and "ultimate effective control" refer to situations in which ownership/control is exercised through a chain of ownership or by means of control other than direct control.

BO may be determined through the cascading approach;

- Step I: Identifying BOs based on controlling ownership interest (direct or indirect)
    - Person(s) directly or indirectly holding a minimum of 25% ownership interest in the legal person.
    - Shareholders exercising control alone or together with other shareholders, including through:
        - Shareholders' agreements
        - Exercise of dominant influence
        - Power to appoint senior management
        - Voting rights and economic rights

If BOs cannot be identified under step 1, proceed to step II.

- Step II: Identifying BOs based on their exercising of control over the legal person or arrangement through other means
  A person may exercise control by way of:
  - Personal connections to persons in positions described in step I or persons that possess ownership, or
  - Historical or contractual relations to a legal owner, or
  - Close or intimate family relations

If BOs cannot be identified under step II, proceed to step III.

- Step III: Identifying BOs based on the control they exercise over the legal person or arrangement through the positions they hold in the legal person or arrangement
  This could be a:
  - Natural person responsible for strategic decisions that fundamentally affect the business practices or general direction of the legal person, such as Directors. A nominee director cannot be a beneficial owner unless the nominee director actually exercises ultimate control or hold ownership in reality. A nominee director is usually just a person whose name appears as a director on paper, but who acts on the instructions of someone else, and BO rules are designed to look behind the nominee arrangement and identify the person who really owns or controls the legal person or arrangement.
  - Natural person who exercises executive control over the daily or regular affairs of the legal person through a senior management position. For example, CEO, CFO, MD, President, etc.

Use additional sheets to provide details of every additional beneficial owner.

- Name: Write the full name of the BO.
- Date of birth: Date of Birth: If BO is a Maldivian, write the date of birth as mentioned in their National Identity Card number. If BO is a foreigner, write the date of birth as mentioned in their passport.
- Nationality: If BO is from Maldives, write "Maldivian". If BO is a foreigner, write the Country as mentioned in their passport.
- National ID/Passport number: If BO is a Maldivian, write their National Identity Card number. If BO is a foreigner, write their passport number.
- Nature of ownership interest: If BO has ownership, then specify whether it is direct or indirect ownership interest. You may select either "direct" or "indirect". A natural person who holds direct or indirect ownership interest of at least 25% is considered a beneficial owner.
  You may leave this field blank if the identified BO does not have ownership interest in the legal person or arrangement.
- Nature of the controlling interest: If the BO is identified through their controlling interests in the legal person or arrangement, then specify the nature of such controlling interest. A BO may have controlling interest in the legal person together with

ownership interest, and if that is the case, you are required to declare the nature of ownership interest and nature of controlling interest that the BO holds.
Specify whether the nature of controlling interest is differential voting rights, power to appoint the majority of senior management, control though debt instruments, control through positions held, control through informal means, or others.

SECTION A

Fill in Items 14, 15, 16 and Item 25 on page 4 of the return. In addition to this, complete applicable items on page 4 of the return. You may also claim deductions for zakat al-mal, donations made in money and sponsorships paid in money during the tax year.

TAXABLE INCOME FROM RENTING OF IMMOVABLE PROPERTY

Item 14: Rental Income

In this box, enter the total amount of rental income that you have earned from immovable property.

Item 15: 20% of rental income

Enter an amount equal to 20% of the amount in Item 14. To compute this amount, multiply the amount in Item 14 (Rental Income) by 0.20. This is the amount of deduction that you will be able to claim against rental income as you have opted to claim deductions under Section 28 of the ITA.

Item 16: Taxable income from renting of immovable property before zakat al-mal and donations and loss relief

To compute this figure, subtract Item 15 (20% of rental income) from Item 14 (Rental Income).

Item 25: In this box, enter the figure in Item 16.

Now go to page 6 of the return.

Item 26: Total Zakat al-mal paid

Enter the amount of Zakat al-mal paid by you, to a relevant Government institution during the year. You must possess a receipt that specifies the amount paid as zakat al-mal.

Item S1: Total sponsorship paid

To calculate this figure, first you have to fill in the Statement of sponsorships paid in money as specified in section 35 of the Sports Act (Law number 30/2015) on page 16 of the return. In here, enter the sum of total sponsorships for teams and total sponsorships for media programs.

How to complete the Statement of Sponsorship is explained on page 25 of this guide

Item 27: Donations made in money to State institutions and approved charitable organizations

To calculate this figure, first you have to fill in the Statement of Donations made in money to State Institutions and Charitable Organizations on page 15 of the return. In here, enter the total amount in Column 4 of the aforementioned statement. If you are using the fillable version, this figure will be transferred automatically.

How to complete the Statement of Donations is explained on page 24 of this guide.

Complete the table below (Items 28 to 56) to calculate the taxable income after deduction of zakat al-mal, sponsorships and donations made in money and loss relief.

If you are using the fillable version, ALL these Items will be filled automatically. Otherwise, follow the steps below.

Since you earned only rental income in the tax year, you will be filling in boxes that are relevant to you.

Items 28 and 29: Leave Items blank and go to Item 30.

Item 30: This is the figure in Item 16.

Items 31 and 32: Leave Items blank and go to Item 33.

Item 33: Enter the amount of Zakat al-mal allocated in accordance with Note 1. The amount entered must not exceed Box 26 or Box 30.

Items 34 and 35: Leave Items blank and go to Item 36.

Item 36: Subtract Box 33 from Box 30 and enter the figure here.

Item 37: This is the figure in Item 36. This is your taxable income before donation.

Now you may deduct sponsorship by completing rest of the table.

Items S2 and S3: Leave Items blank and go to Item S4.

Item S4: Enter the sponsorship allocated in accordance with Note 2. The amount entered must not exceed the amount in Box S1 or Box 36.

Items 38 and 39: Leave Items blank and go to Item 40

Item 40: Subtract Box S4 from Box 36 and enter the figure here.

Item 41: This is the figure in 38 to 40. This is your taxable income before donations.

Now you may deduct donation by completing rest of the table.

Item 42: 5% of taxable income before donations

Multiply the amount in Box 41 by 0.05 and enter the figure here.

Item 43: Donations deductible

Enter the amount which is the lower of Box 27 and Box 42. This is the maximum amount you can deduct as donation.

Items 44 and 45: Leave Items blank and go to Item 46.

Item 46: Allocate the deductible donations in accordance with Note 3. The amount entered must not exceed Box 43 or Box 40.

Items 47 and 48: Leave Items blank and go to Item 49.

Item 49: Subtract Box 46 from Box 40 and enter the figure here.

Item 50: This is the sum of Box 47 and Box 49.

Now you may deduct loss relief by completing rest of the table.

Item 51: In this box, enter the amount of business loss carried forward from previous tax year(s).

Item 52: Enter the amount which is the lower of Box 49 and Box 51.

Items 53 and 54: Leave the Items blank and go to Item 55.

Item 55: Subtract Box 52 from Box 49 and enter the figure here.

Item 56: This is the sum of Boxes 53 to 55. This is your taxable income for the year.

Amount in Box 56 must be transferred to Box 187 (if you are a person other than an individual) or Box 192 (if you are an individual). If you are using the fillable version, this figure will be transferred automatically.

After completing this section, please go to Section C to complete the computation of tax liability.

SECTION C

Computation of tax liability

1. Tax liability computation for persons other than individuals

Complete this part only if you are a person other than an individual.

Item 187 – Taxable income for the year

Total taxable income as computed in Section A of the tax return must be entered here. This is the amount in Box 56.

Item 188 – Size of the tax bracket available at 0%

Size of the tax bracket available at 0% (tax-free bracket) must be calculated based on the formula given on NOTE 4 of the return. i.e.

$$\frac{Number\ of\ days\ in\ the\ accounting\ period}{365} \times \frac{MVR\ 500{,}000\ or\ USD\ 32{,}425.42}{A+1}$$

If you are a company in a group of companies, A is the number of companies in the group (excluding you) which are within the scope of the Income Tax Act.

Example 1

Noonu deemed was established on 1 May 2020. Hence, the accounting period for the tax year 2020 was from 1 May 2020 to 31 December 2020 (245 days). Below is the computation of size of the tax bracket at 0% (tax free threshold). [since it is not a company A=0]

Size of tax bracket available at 0% $= \frac{245}{365} \times 500{,}000 = 335{,}616.44$

Assuming taxable income for the year (amount in Box 187) is MVR 2,400,000, below is how it will divide its taxable income into the two brackets.

SECTION C

COMPUTATION OF TAX LIABILITY

1. Tax liability computation for persons other than individuals

187	Taxable income for the year *(Transferred from Box 186 or Box 56)*	2,400,000.00
188	Size of the tax bracket available at 0% *(See Note 4 below)*	335,616.44
189	Amount subject to tax at 0% *(Lower of Boxes 187 and 188)*	335,616.44
190	Amount subject to tax at 15% *(Box 187 minus Box 188. If the figure is negative, enter zero.)*	2,064,383.56
191	**Tax liability for the year** *(Multiply Box 190 by 0.15. Go to Box 204 if you are a non-resident deriving income under Section 11(r) of the Act.)*	309,657.53

Transfer to A

Amount subject to tax at15% is calculated as below.

Item 190 = 2,400,000.00 – 335,616.44

= 2,064,383.56

Item 189 - Amount subjected to tax at 0%

Enter the amount in Box 187 or Box 188 whichever is lower.

Item 190 - Amount subjected to tax at 15%

To compute the figure, subtract Box 188 from Box 187. If the figure is negative, enter zero here.

Item 191 – Tax liability for the year

To compute the tax liability for the year, multiply, Box 190 by 0.15.

Now, go to Item A on page 1.

2. Tax liability computation for individuals

Complete this part only if you are an individual.

Item 192 – Taxable income for the year

Total taxable income as computed in Section A of the tax return must be entered here. This is the amount in Box 56.

Items 193 – 202

Use the formulas stated in Note 5 to calculate the size of tax brackets in item A, B, C and D. If your accounting period is from 1 January to 31 December, the number of days in the accounting period is 365 days.

Divide the taxable income in Box 192 using the formulas given on the Note 5, filling each tax bracket starting from the bracket taxed at 0%, in that order.

Amounts entered for each tax bracket must not exceed the size of the bracket available.

Example 2

Ali had not been registered with MIRA during the BPT regime, and his total income for the tax year 2020 consisted only of rent from immovable property. He started deriving rental income from 1 April 2020. Hence, his accounting period ended in the tax year 2020 would be from 1 April 2020 - 31 December 2020.

Since his accounting period was shorter than a full year (365 days), size of the tax brackets needs to be reduced accordingly.

If an accounting period starts on the first day of a month, the formula below must be used to calculate the size of the tax brackets.

$$\frac{n}{12} \times m$$

Where, n = number of months in the accounting period

m = full amount of the respective annual tax bracket

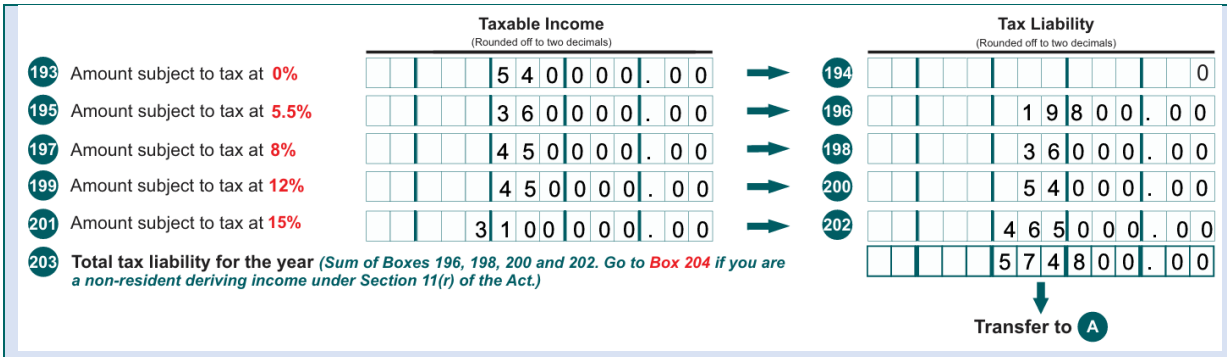
A. Size of tax bracket available at 0% $= \frac{9}{12} \times 720{,}000 = 540{,}000.00$

B. Size of tax bracket available at 5.5% $= \frac{9}{12} \times 480{,}000 = 360{,}000.00$

C. Size of tax bracket available at 8% $= \frac{9}{12} \times 600{,}000 = 450{,}000.00$

D. Size of tax bracket available at 12% $= \frac{9}{12} \times 600{,}000 = 450{,}000.00$

Assuming his taxable income for the year (amount in Box 192) is MVR 4,900,000, below is how he will divide his taxable income to available tax brackets.



Amount subject to tax at15% is calculated as below

Item 201 = 4,900,000.00 – (540,000+360,000+450,000+450,000)

= 3,100,000.00

Example 3

Fathimath had not been registered with MIRA during the BPT regime, and her total income for the tax year 2020 consisted only of rent from immovable property. She started deriving rental income from 12 June 2020. Hence, her accounting period ended in the tax year 2020 would be from 12 June 2020 - 31 December 2020.

Since her accounting period was shorter than a full year (365 days), size of the tax brackets needs to be reduced accordingly.

If an accounting period starts on a date other than the first day of a month, the formula below must be used to calculate the size of the tax brackets.

$$\frac{p}{q} \times r + \frac{n-1}{12} \times m$$

Where, p = Number of days from the start of that accounting period till the end of that month (in which the accounting period starts)

q = Total number of days in the month in which the accounting period starts

r = Full amount of the respective monthly tax bracket

n = Number of months in the accounting period

m = Full amount of the respective annual tax bracket

For "n" (Number of months in the accounting period), it is crucial that you write the number of months including the month your accounting year starts. In this case, it would be 7 (June to December).

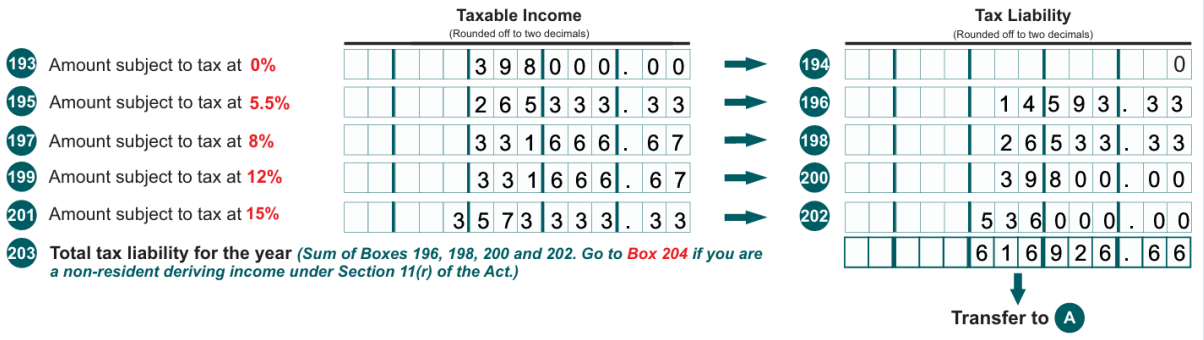
A. Size of tax bracket available at 0% $= \frac{19}{30} \times 60{,}000 + \frac{7-1}{12} \times 720{,}000 = 398{,}000.00$

B. Size of tax bracket available at 5.5% $= \frac{19}{30} \times 40{,}000 + \frac{7-1}{12} \times 480{,}000 = 265{,}333.33$

C. Size of tax bracket available at 8% $= \frac{19}{30} \times 50{,}000 + \frac{7-1}{12} \times 600{,}000 = 331{,}666.67$

D. Size of tax bracket available at 12% $= \frac{19}{30} \times 50{,}000 + \frac{7-1}{12} \times 600{,}000 = 331{,}666.67$

Assuming her taxable income for the year (amount in Box 192) is MVR 4,900,000, below is how she will divide her taxable income to available tax brackets.



Amount subject to tax at15% is calculated as below
Item 201 = 4,900,000.00 – (398,000.00+265,333.33+331,666.67+331,666.67)
= 3,573,333.33

Item 203 – Tax liability for the year

This is sum of Boxes 196, 198, 200 and 202.

Now, go to Item A on page 1.

COMPUTATION OF INCOME TAX PAYABLE

Item A – Total tax liability

This amount is your total income tax liability for the tax year.

If you are a person other than an individual, enter the figure in Box 191.

If you are an individual, enter figure in Box 203.

Item B – Foreign tax credit

If you are a non-resident, enter zero here.

Enter the amount of credit that you want to claim for the tax year as a foreign tax credit. For more information on foreign tax credit, please refer Section 72 of Income Tax Act and Chapter 15 of the Income Tax Regulation.

If you enter an amount in this Item, you must attach explanation and supporting documents.

Item C – Tax payable (excluding tax payable on income specified in section 11(r) of the Act)

Subtract Box B from Box A and enter the figure here.

Item D – Tax payable for income specified in section 11(r) of the Act

This item is not applicable to you.

Item E – Total tax payable for the year

This is same as the figure in Item C.

Item F – EWT deducted by your payer

This item is not applicable to you.

Item G - NWT deducted by your payer

This item applies to you only if you are a non-resident doing business in the Maldives through a permanent establishment (PE).

If you want to deduct the amount of non-resident withholding tax (NWT) that your payer has deducted from the payments paid to you during the tax year, you can enter that amount here.

Item H - CGWT deducted by withholding agent

This item is not applicable to you.

Item I – First interim payment

Enter the amount of income tax that you have paid as your first interim payment for the tax year. If not, enter ZERO here.

Item J – Second interim payment

Enter the amount of tax that you have paid as your second interim payment for the tax year. If not, enter ZERO here.

Item K – Income tax paid in excess to date

Enter the amount of income tax payments, if any, made to MIRA other than through NWT mechanism.

Item L – BPT paid in excess to date

Enter zero if this is your first tax year.

If this is not your first tax year, you can enter the amount paid in excess as BPT to date.

Item M – Final payment

This is the amount you must pay as your final payment. To compute this figure, deduct amounts in Items F, G, H, I, J and K from Item E.

Item N – Amount being paid

This is the amount of tax that you are required to pay with this return.

Declaration

This declaration must be completed by ALL taxpayers.

By signing this return, you declare that the information provided in the return is true and correct and represents your assessment as required under the Income Tax Act. You also declare that you have all necessary documentation to support the claims made in the return and that you are authorized to sign the return.

If you are filing your return "offline", you may sign the return.

For office use only

This section is for our use. Do not write anything in this green box.

STATEMENT OF DONATIONS MADE IN MONEY TO STATE INSTITUTIONS AND APPROVED CHARITABLE ORGANIZATIONS

This is the statement on page 15 of the return. If you made a donation during the year to a State institution or a charitable organization approved by the Commissioner General, and wish to claim a deduction for the donation, you must fill in this statement before entering a figure in Item 27 or Item 155. Only donations made in money are eligible for deduction against taxable income. Enter the details of each donation made to a State institution or an approved charitable organization in the relevant fields. You must retain receipts and supporting documents for all donations claimed.

- Column 1: Date of donation: This is the date on which you made the donation.
- Column 2: Name of donee: This is the name of the body, association or public institution approved by CG to which you made the donation.
- Column 3: Details of donation: In this column write a brief description of the donation.
- Column 4: Amount of donation: Enter the amount donated in money.

If there is not enough space in the Statement of Donations, you may use additional sheets. Enter the total amount of donations on the additional sheets in Row 15, Column 4.

STATEMENT OF SPONSORSHIPS PAID IN MONEY AS SPECIFIED IN SECTION 35 OF THE SPORTS ACT (LAW NUMBER 30/2015)

If you paid sponsorships in money during the year in accordance with Section 35 of the Sports Act and wish to claim a deduction, you must complete this statement before entering an amount in the relevant sponsorship box of the return. Only sponsorships paid in money qualify for this deduction. Sponsorships provided in the form of goods, services or any other non-cash benefits are not eligible.

Enter the details of each sponsorship paid in money that qualifies for a deduction under Section 35 of the Sports Act in the relevant fields. Complete the table relating to sponsorships of sports teams participating in social and competitive sports (Section 35(a) of the Sports Act) and/or the table relating to sponsorships of media programs broadcasting social and competitive sports (Section 35(b) of the Sports Act), as applicable. You must retain receipts, agreements, payment records and any other supporting documents relating to the sponsorships claimed.

Sponsorship of teams participating in social and competitive sports:

- Column 1.1: Name of sponsored team: Enter the full name of the team to which the sponsorship was paid.
- Column 1.2: Name of the sport: Select the nature (competitive/social) of the sport in which the sponsored team participates.
- Column 1.3: Name of sports competition / event: Enter the name of the sports competition or event for which the sponsorship was provided.
- Column 1.4: Date of competition / event: Enter the date on which the competition or event took place.
- Column 1.5: Venue of competition / event: Enter the venue where the competition or event was held.
- Column 3: Date of payment of sponsorship: Enter the date on which the sponsorship payment was made.
- Column 4: Amount of sponsorship: Enter the amount of sponsorship paid in money.

Add the amounts entered in Column 4 and enter the total in the box provided. If additional sheets are used, enter the total amount of sponsorships on the additional sheets in Row 4, Column 4.

Sponsorship of media programs broadcasting social and competitive sports:

- Column 2.1: Name of sponsored media program: Enter the name of the media program that was sponsored.

- Column 2.2: Name of broadcasting media: Enter the name of the television channel, radio station, online platform, or other media outlet broadcasting the sponsored media program.
- Column 3: Date of payment of sponsorship: Enter the date on which the sponsorship payment was made.
- Column 4: Amount of sponsorship: Enter the amount of sponsorship paid in money.

Add the amounts entered in Column 4 and enter the total in the box provided. If additional sheets are used, enter the total amount of sponsorships on the additional sheets in Row 4, Column 4.

Total Column 4 in "Sponsorship of teams participating in social and competitive sports" and "Sponsorship of media programs broadcasting social and competitive sports" and transfer the total sponsorship amount to Item S1.

MALDIVES
INLAND REVENUE
AUTHORITY

MIRA

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MIRA maldives
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