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MALDIVES
INLAND REVENUE
AUTHORITY

A Comprehensive Guide on the Income Tax Return

MIRA 604

www.mira.gov.mv

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List of abbreviations

BA / BC	Balancing Allowance / Balancing Charge
BPT	Business Profit Tax
CCA	Cost Contribution Arrangement
CG	Commissioner General of Taxation
CFE	Controlled Foreign Entities
CUP	Comparable Uncontrolled Price Method
EBITA	Earnings Before Interest Tax Depreciation and Amortization
EWT	Employee Withholding Tax
ITA	Income Tax Act (Law Number 25/2019)
ITR	Income Tax Regulation (Regulation Number 2020/R-21)
MMA	Maldives Monetary Authority
MPAO	Maldives Pension Administration Office
MRPS	Maldives Retirement Pension Scheme
NWT	Non-resident Withholding Tax
OOMV	Ordinary Open Market Value
PE	Permanent Establishment
TIN	Taxpayer Identification Number
TNMM	Transactional Net Margin Method
TPR	Transfer Pricing Regulation (Regulation Number 2020/R-43)

Introduction

1. This is a comprehensive guide on Income Tax Return (MIRA 604) form. Instead of this guide, depending on your circumstances, you may be able to use the guides below to complete your Income Tax Return (MIRA 604):

    - Income Tax Return (MIRA 604) instructions for persons deriving only remuneration
    - Income Tax Return (MIRA 604) instructions for persons deriving remunerations and rental income from immovable property [20% deduction option]
    - Income Tax Return (MIRA 604) instructions for persons deriving only rental income from immovable property [20% deduction option]

2. You must file an income tax return for the year:

    i. If you are an individual [unless your taxable income was remuneration derived solely from one employer] and;

        - your taxable income for the tax year or previous tax year was more than MVR 720,000 [This figure must be reduced proportionately if the accounting period was shorter than 1 year]; or
        - your gross income for the tax year or previous tax year was more than MVR 2 million [This figure must be reduced proportionately if the accounting period is shorter than 1 year].

    ii. If you are a Company, Partnership or a deemed partnership and;

        - your taxable income for the tax year or previous tax year was more than MVR 500,000 [This figure must be reduced proportionately if the accounting period was shorter than 1 year]; or
        - your gross income for the tax year or previous tax year was more than MVR 2 million [This figure must be reduced proportionately if the accounting period was shorter than 1 year].

    iii. If your accounting periods are shorter than 365 days, the thresholds mentioned above must be reduced proportionately.

    iv. You're also exempt from filing income tax return for the tax year if;

        - You're an individual and your total income for the accounting period ending in that tax year consisted only of remuneration derived from one payer; or

- You're an individual and did not derive any income in the accounting period ending in the tax year, and your total income for the preceding tax year consisted solely of remuneration derived from one payer.

v. If in a tax year, you're not a resident of the Maldives and does not have a permanent establishment in the Maldives, you are not required to file an income tax return for that tax year if the total income derived by you from the Maldives in the accounting period ending in that tax year is income specified in Section 55 of the Income Tax Act.

vi. Regardless of whether the above conditions are met, an Income Tax Return for the relevant tax year must be filed by:

- persons deriving income specified in Section 11(r) of the Income Tax Act;
- Persons carrying on insurance business;
- a non-resident of the Maldives who has a permanent establishment in the Maldives
- Persons whose total cost price of business non-current assets equals to or exceeds MVR 30,000,000/-
- The total cost price of the business non-current assets, including the cost of non-current assets under development upon its completion, or those in the process of acquisition upon acquisition, is estimated to be equal to or exceed MVR 30,000,000/-
- Persons who are exempt under Section 12-1 of the Income Tax Act

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

3. Your annual income tax return filing and payment is due by 30 June of the following year.
4. If you are using the fillable version of this form, respective figures will be calculated automatically.
5. Income Tax Return (MIRA 604) has the following schedules.

i. Schedule 1: Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Statement)

ii. Schedule 2: Statement of Financial Position (Balance Sheet)

iii. Schedule 3: Statement of Net Worth Excluding Business (Net Worth Statement)

iv. Schedule 4: Reporting of International Transactions with Associates

v. Schedule 5: Reporting of share of taxable income from Controlled Foreign Entities

vi. Schedule 6: Reporting of Offshore Transfers

Schedules 2, 3, 4, 5 and 6, which form part of the Income Tax Return (MIRA 604), are provided as separate fillable forms and must be downloaded and submitted where applicable. Where you are required to submit any of these schedules, your return will not be considered complete and filed unless the relevant schedule(s) are submitted.

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.

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, 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 name does not match the TIN, the return will be rejected.

- Taxpayer Type (Tick the applicable boxes): Tick the applicable boxes.

    - If you are a non-resident shipping or aircraft operator who derives income specified in 11(r) of the Income Tax Act, tick the "Non-resident shipping or aircraft operator" box as well and select the applicable taxpayer category: "Individual", "Company/Partnership/Others", or "Permanent Establishment".

    - If you are a non-resident carrying on business through a permanent establishment in the Maldives, tick the "Permanent establishment" box.

    - In all other cases, tick only one box.

  If you are using the fillable version of the form, it is crucial that you select the correct type here as what you select here affects how the fillable form automatically does the computations.

- If you are a company within a group of companies, provide the number of companies in the group liable to income tax (exclusive of you): If you are a company in a group of companies, provide number of companies remaining to which the Income Tax Act applies.

    - "Group of entities" refers to entities which are required to submit consolidated financial statements to MIRA
    - Where the taxpayer is an entity of a group of entities, the taxpayer shall submit to MIRA, together with the income tax return, the consolidated financial statements prepared by the Ultimate Parent Entity of the group in respect of all entities comprising the group.

- Residency Status (*Tick the applicable box)*: 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 ending in the tax year: This is the start date and end date of the accounting period covered by your return. The accounting period should be determined in accordance with Section 58 of the Income Tax Regulation. Enter the start date and end date of the accounting period covered by this return.

- Auditor Registration Number

  Enter here the registration number of the auditor who audited your financial statements. Fill in this box if you were required to appoint an auditor. If not, leave it blank.

  If you are a non-resident shipping or aircraft operator in international transportation and your income for the year is solely derived from carrying passengers, livestock, mail, parcel, merchandise or goods you must submit the Auditor's Report and you're not required to submit additional financial statements.

  If you derived business income, you must submit the Auditor's Report together with the audited financial statements if:

  a) For tax years prior to 2026, your total income exceeded MVR 10 million;
  b) for the 2026 tax year or a subsequent tax year, either:
     a. your total income exceeded MVR 10 million; or
     b. the total cost of your business non-current assets exceeded MVR 30 million; or
     c. the total cost of your business non-current assets, including assets under development and assets being acquired, exceeded MVR 30 million.

- Industry Code: Write here the industry code for the industry from which you earned the majority of your income. You must use the relevant industry code from the "Industry Code" list on MIRA's website.

You can now proceed to complete the remainder of your return. You must complete pages 2 to 16 and schedule 1 before filling in this page.

Document Checklist

Tick the relevant boxes as appropriate.

IMPORTANT:
When uploading supporting documents through MIRA Connect, you must ensure that the document is complete, accurate, and corresponds to the document type selected. Before submission, you will be required to confirm that the uploaded document is a true and correct copy of the relevant document.

Uploading false, misleading, incomplete, or incorrect documents is an offence and may result in penalties under the tax laws. Where the required documents are not validly submitted, your Income Tax Return may be treated as incomplete and may be considered as not having been filed by the due date, which may result in late filing penalties.

Financial statements

If you are required to submit financial statements with your income tax return, attach the relevant financial statements when filing the return. Below table summarizes the financial statement submission requirements.

a. If the Income Tax Return relates to a tax year prior to 2026

Documents	Total income above MVR 10m [must use accrual basis]	Total income MVR 10m or below and opting accrual basis	Total income MVR 10m or below and opting cash basis	Only income is rent from immovable property and opts for 20% deduction
Statement of Profit or Loss	✓	✓	✓	✗
Notes to Financial Statements	✓	✓	✓	✗
Statement of Financial Position	✓	✓	✗	✗
Statement of Cash Flows	✓	✓	✗	✗
Statement of Changes in Equity	✓	✓	✗	✗
Auditor's Report	✓	✗	✗	✗
Directors' Report (Companies Only)	✓	✓	✓	✓

b. If the Income Tax Return relates to the 2026 tax year or any subsequent tax year

Documents	Cash basis accounting Note1	Accrual basis accounting	Only income is rent from immovable property and opting for 20% deduction
Statement of Profit or Loss	✓	✓	✗
Notes to Financial Statements	✓	✓	✗
Statement of Financial Position	✗	✓	✗
Statement of Cash Flows	✗	✓	✗
Statement of Changes in Equity	✗	✓	✗
Auditor's Report	✗	✓ Note2	✗
Directors' Report (Companies Only)	✓	✓	✓

Note 1 - A taxpayer may prepare accounts on a cash basis only if:

a) annual total income does not exceed MVR 10 million;
b) the total cost of business non-current assets does not exceed MVR 30 million; and
c) the total cost of business non-current assets, including assets under development and assets being acquired, is not expected to exceed MVR 30 million.

Note 2 - An Auditor's Report must be submitted if:

a) annual total income exceeds MVR 10 million; or
b) the total cost of business non-current assets exceeds MVR 30 million; or
c) the total cost of business non-current assets, including assets under development and assets being acquired, exceeds MVR 30 million.

If you were a non-resident shipping or aircraft operator in international transportation and your income for the year is solely derived from carrying passengers or livestock or mail or parcels or merchandise or goods from a place in the Maldives, you are ONLY required to submit Auditor's report in respect of income specified in section 11(r) of the Act. You're not required to submit an additional financial statement. If you receive above mentioned income along with other sources of income, you're required to submit an auditor's report along with the required documents (as per the above table) irrespective of the total income.

If you derive only capital gains during the tax year, you may submit your Income Tax Return without a full set of financial statements, provided that you declare in Item V of the return that you did not derive any business income and did not carry on any business activities during the tax year. If your total income consists solely of capital gains, you will not be required to submit an Auditor's Report, even if those gains exceed MVR 10 million. However, if you derive both business income and other types of income during the tax year, the MVR 10 million threshold must be assessed based on your total income from all sources.

Consolidated Financial Statements

Where you are a member of a group of entities, you must submit to MIRA, together with your Income Tax Return, the consolidated financial statements prepared by the Ultimate Parent Entity in respect of all entities comprising the group.

a) Only one entity within the group is required to submit the Consolidated Financial Statements, and the requirement is treated as satisfied for all other group entities,
b) The Consolidated Financial Statements must be prepared in accordance with the accounting standards applicable in the jurisdiction in which the Ultimate Parent Entity is resident for tax purposes.

Refer to Section 102-1 of the ITR for further details on this requirement.

Explanations and supporting documents for Box B [Foreign tax credit]

If you are claiming a foreign tax credit, you are required to submit supporting documents, such as tax payment receipts, withholding tax certificates, tax assessments, or other evidence of foreign tax paid.

Refer to Section 72 of the ITA for the calculation of foreign tax credit.

INCOME TAX ASSESSMENT

All legislative references are to the Income Tax Act (Law number 25/2019) and Income Tax Regulation (Regulation Number 2020/R-21), as amended.

Item 1: What is the basis of preparing your accounts?

This is the basis of preparing your accounts, pursuant to Section 13 of the Income Tax Act.

Under accrual accounting, income and expenses are recognized when it becomes due regardless of the date of receipt or payment. If accrual basis is adopted, accounts must be prepared in accordance with accounting standards approved by the CG which are listed below:

- International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS)
- International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs)
- Accounting and Auditing Organization for Islamic Financial Institutions Standards (AAOIFI)

Under cash basis accounting, income is recognized when received and expenses are recognized when paid.

If the Income Tax Return relates to a tax year prior to 2026:

(a) Accrual basis: Tick here if your total income for the year was more than MVR 10 million, or it was less than MVR 10 million, but you have chosen to prepare your accounts on accrual basis.

(b) Cash basis: Tick here if your annual total income does not exceed MVR 10 million and you elect to prepare accounts on cash basis.

If the Income Tax Return relates to the 2026 tax year or any subsequent tax year:

(a) Accrual basis: Tick here if you prepare your accounts on an accrual basis. You must prepare your accounts on an accrual basis if you do not satisfy the conditions to elect the cash basis. You may also choose to prepare your accounts on an accrual basis even if you satisfy the conditions to elect the cash basis.

(b) Cash basis: Tick here if you have elected to prepare your accounts on a cash basis because you meet all of the following conditions:

- 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

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 you prepare this return and the accompanying financial statements. 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 and financial statements must be presented in Rufiyaa.
- Other than Rufiyaa, then this return and financial statements must be presented in USD.

Where presentation currency differs from functional currency, financial statements must be translated in accordance with the accounting standards adopted under the Income Tax Regulation. If you have elected "cash basis", the financial statements shall be translated into the presentation currency using an exchange rate within ±2% of the rate published by the Maldives Monetary Authority, pertaining to the relevant date.

Item IV: Type of audit opinion

State here the audit opinion expressed in your Auditor's Report. If you tick in (a) to (d) you must provide an auditor registration number in the box on page 1.

(a) Unqualified: Tick here if the audit opinion is an unqualified opinion.

(b) Qualified: Tick here if the audit opinion is a qualified opinion.

(c) Disclaimer: Tick here if the audit opinion is a disclaimer opinion.

(d) Adverse: Tick here if the audit opinion is an adverse opinion.

(e) Not required to audit: Tick here if you are not required to audit the financial statements.

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

If you are filing a nil return because you are required to file an income tax return based on your income in the previous tax year, both checkboxes must be marked "Yes". When both checkboxes are marked "Yes", you should not complete any of the fields relating to business income in Section A or Section B.

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 VII: Thin capitalization rule

Certain persons are exempt from the thin capitalization rule. If you are any of the person from (a) to (d), then you are exempt from the rule. Tick all that apply to you.

If your total income is greater than MVR 30,000,000 you will not be able to select (b) a micro / small / medium sized business under the Law on Small and Medium Enterprises (Law number 6/2013)

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 from a place in the Maldives (income specified in Section 11(r) of the Income Tax Act)

Select 'YES', if you were a non-resident shipping or aircraft operator in international transportation and your income for the period was solely derived from carrying passengers or livestock or mail or parcels or merchandise or goods on an aircraft or a ship which departs from a place located in the Maldives.

If you selected 'YES', complete the relevant items on this page, skip Sections A and B, and go to Box 204 in Section C. You are not required to complete Schedule 1. You are only required to submit an auditor's report attesting to the reliability of the income specified in section 11(r)

of the Act. In Section C, report income from ships and income from aircraft separately in the relevant boxes and calculate the tax liability accordingly. You are not required to submit additional financial statements with the return.

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 as immovable property.

If you are a resident, provide details of all immovable properties located both inside and outside the Maldives. If you are a non-resident, provide details of all immovable properties situated in the Maldives or registered 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)

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

Complete this section if your total income for the year was derived from any one of the following income types or from any combination of the following income types. If you have any other income type, leave this section blank and go to Section B.

- Remuneration
- Gifts and Other Income ["Other Income" here means any other income which does not fall within the definition of remuneration, gifts, rental income, capital gains, and business income. e.g. *interest earned by an individual on a savings account*).

- Renting of immovable property and you are making an election under section 28 of the Income Tax Act.
- Capital gains

You are required to fill in ONLY the boxes applicable to you in this section.

TAXABLE INCOME FROM REMUNERATION

Fill item 1 to 10 if you are an individual and you derived income from remuneration.

Item 1: Remuneration

In this box, enter the total remuneration before pension deduction, you received during the tax year. Remuneration includes salary, wages, allowances and benefits derived by you as an employee or director or partner as consideration for services rendered by you, and includes any compensation for loss of employment or service, restrictive covenant payment, and entry or exit inducement payment. Except for non-monetary benefits and allowances specified in the Section 12 of the ITA, all the other allowances and benefits, whether or not paid in a monetary form, must be included in the remuneration.

A guide explaining non-monetary benefits provided to employees is available here.

Item 2: Pension contributions made as an employee to MRPS

In this box, enter the total amount of pension contributions made as an employee to MRPS in the tax year. This information may be retrieved from MPAO online portal.

Item 3: Special clothing required for work (see section 32(b)(3) of the Act)

In this box, enter the amount of total cost incurred by you for special clothing required for work, which are specifically designed to be worn at work and not suitable to be worn outside of work.

Item 4: Cost of trainings, costs directly related to employment and costs contributing to employment promotions (see section 32(b)(5) of the Act)

In this box, enter the sum of costs incurred by you for:

- Trainings that are directly related to your employment
- Trainings that are directly related to the performance of your employment
- Trainings that directly contribute to your employment promotion opportunities.

Cost of trainings does not include the cost of your education whether or not it is directly relevant to your employment.

Item 5: Necessary expenses for the performance of employment duties *(Applicable until 20 July 2021)*

In this box, enter the total amount of expenses incurred which is necessary for the performance of your duties of the employment. This does not include cost of commuting to and from your residence and place of work and cost of clothing worn to work.

You can only deduct expenses for the performance of employment duties that were incurred until 20 July 2021. Such expenses that were incurred after 20 July 2021 cannot be deducted.

Item 6: Total deductions before zakat-al-mal and donations

This is sum of Boxes 2 to 5.

Item 7: Deductions allowed before zakat-al-mal and donations

In this box, enter the amount in Box 1 or Box 6, whichever is lower. Deductions in earning remuneration will be allowed up to the amount of remuneration received for the year.

Item 8: Taxable income from remuneration before zakat al-mal and donations

To compute the figure, subtract Box 7 from Box 1.

Item 9: Amounts exempt under section 12 of the Act, included in the amount of remuneration subject to EWT by the employer

Enter the amount of remuneration that was exempt from income tax under Section 12 of the Act but was incorrectly included by the employer in the amount reported as remuneration subject to Employee Withholding Tax (EWT).

Item 10: Taxable income from remuneration before zakat al-mal and donations

To compute the figure, subtract Box 9 from Box 8. If the computed figure is negative, enter zero.

TAXABLE INCOME FROM GIFTS AND OTHER INCOME

Fill in Box 11 to 13 if you derived income in the form of a gift or any other income that do not constitute business income, rental income, remuneration or capital gains. Any gift (excluding the exempt gift) and other income as defined above must be included in this subsection of the return.

Item 11: Gross amount of gifts before zakat al-mal and donations

This Item is only applicable to individuals.

In this box, enter the value of the gifts received during the tax year, excluding any exempt gift.

Gifts received as below are exempt from Income Tax:

- Gifts received by an individual (up to a maximum of MVR 40,000/- (forty thousand) Rufiyaa per an accounting period). This means, if the total value of the gifts during the accounting period is more than MVR 40,000, the amount that exceeds MVR 40,000 is taxable.
- Gifts received by an individual from a relative
- Wedding gifts [received not more than 30 days before the date of marriage and not more than 30 days after the date of marriage, to the person getting married]
- Gifts received from the State
- Gifts received from a charitable organization approved by the Commissioner General.

Item 12: Other income (other than business income, remuneration and capital gains)

Include in this item, income that does not fall within business income, remuneration, capital gains and gifts. Rental income from lease of immovable property is considered as a business income.

Business income is an income derived from an activity within the definition of "business" which includes trading of goods, manufacturing activities, professional, commercial, technical or personal services and granting rights in relation to movable or immovable property.

Remuneration includes salary, wages, allowances and benefits derived by you as consideration for services rendered, and includes any compensation for loss of employment or service, restrictive covenant payment, and entry or exit inducement payment.

Capital gains are the amounts derived from the disposal of movable, immovable, intellectual or intangible property in respect of which a deduction for capital allowance is not claimed under the Income Tax Act.

Item 13: Total taxable income from gifts and other income before zakat al-mal and donations

This is sum of Boxes 11 and 12.

TAXABLE INCOME FROM RENTING OF IMMOVABLE PROPERTY

Fill in Boxes 14 to 16 if you derived rental income from immovable property and you are making an election under section 28 of the Act (i.e. making an election to deduct 20% of the rental income as the deduction against the rental income). You can make this election ONLY if you are preparing your accounts on cash basis.

Item 14: Rental Income

In this box, enter the total amount of rental income that you earned during the year from immovable property. This should include the following:

a) all rental payments received in relation to the immovable property; and

b) security deposits, advance rental payments and any other payments received in relation to the immovable property, to the extent the lessor of the property has the right to consume part or full payment of it within the tax year; and

c) all payments received in relation to the rented property not resulting from the responsibilities of the lessee specified in the lease agreement; and

d) payments received in respect of anything affixed to the immovable property; and

e) payments received under an insurance policy obtained to compensate for the non-payment of rent; and

f) any payment received for breach of a lease agreement by the lessee.

Item 15: 20% of rental income

Enter an amount equal to 20% of the amount in Item 14 (Rental Income). To compute this amount, multiply the amount in Item 14 (Rental Income) by 0.20. This is the amount of deduction 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

Calculate this amount by subtracting Box 15 (20% of rental income) from Box 14 (Rental Income).

TAXABLE INCOME FROM CAPITAL GAINS

Fill this section only if you are an individual. If you are not an individual and have capital gains, leave section A blank, and fill section B.

Item 17: Capital gains derived

In this box, enter the aggregate amount of capital gain derived during the tax year. Do not include gains made exempt under Section 30(e) of the ITA

You may refer to Section 3(k) and 30 of ITA, and chapter 13 of ITR for further details on capital gains.

Item 18: Capital losses incurred

In general, where the cost base of the property exceeds the consideration received on disposal of that property, the excess amount would be a capital loss. In this box, enter the amount of capital loss incurred during the tax year.

You may refer to Section 3(k), Section 30 of ITA and chapter 13 of ITR for further details on capital loss.

Item 19: Capital loss deductible

Capital loss can only be claimed against capital gains. In a tax year, you may claim capital loss incurred in that tax year up to the amount of capital gains made in that year, and any remaining capital loss may be carried forward for another 5 years.

In this box, enter the amount in Item 17 or Item 18, whichever is lower.

Item 20: Capital gains before capital loss relief, zakat al-mal and donations

Calculate this amount by subtracting Box 19 from Box 17. This figure will be the net capital gain/loss for the year.

Item 21: Capital loss brought forward from previous year

In this box, enter the amount of capital loss carried forward from previous tax year(s).

Item 22: Capital loss relief

In this Box, enter the amount in Box 20 or Box 21, whichever is lower.

Capital loss carried forward from previous tax year(s) can be set off from the remaining capital gain after deducting the capital loss made in that year on a FIFO basis.

Item 23: Net capital gains for the year before zakat al-mal and donations

Calculate this amount by subtracting Box 22 from Box 20.

Item 24: Capital loss for the year available to be carried forward

If the capital loss for the year is more than the capital gains for the year, the excess can be carried forward.

If the amount in Box 18 is greater than Box 19, subtract Box 18 from Box 19. Otherwise, enter zero.

Item 25: Total taxable income from remuneration & gifts & other income, rental of immovable property and capital gains before zakat al-mal, donations and business loss relief

This is the sum of Boxes 10, 13, 16 and 23.

DEDUCTION OF ZAKAT AL-MAL, SPONSORSHIPS AND DONATIONS MADE IN MONEY, AND BUSINESS LOSS RELIEF

Item 26: Total Zakat al-mal paid

Enter the amount of zakat al-mal paid by you to a State institution during the year, provided that you 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 57 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 to State Institutions and Charitable Organizations on page 15 of the return.

In here, enter the total amount of Column 4 of the aforementioned statement.

How to complete the Statement of Donations is explained on page 56 of this guide.

Complete the table below the Item 27(Item 28 to 56) to calculate the taxable income after deduction of zakat al-mal, sponsorships and donations made in money and loss relief.

Item 28: Enter the taxable income from remuneration, gifts & other income before zakat al-mal, donations and loss relief in here. This is sum of Boxes 10 and 13.

Item 29: Enter the taxable income from capital gains before zakat al-mal, donations and loss relief in here. This is the amount in Item 23.

Item 30: Enter the taxable income from rent of immovable property before zakat al-mal, donations and loss relief in here. This is the amount in Item 16.

Item 31: Enter the amount of Zakat al-mal allocated in accordance with Note 1. The amount entered should be lower of Box 26 and Box 28.

Item 32: Enter the amount of Zakat al-mal allocated in accordance with Note 1. The amount entered must not exceed Box 26 or Box 29.

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.

Item 34: Subtract Box 31 from Box 28 and enter the figure here.

Item 35: Subtract Box 32 from Box 29 and enter the figure here.

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

Item 37: This is the sum of Boxes 34, 35 and 36. This is your taxable income before sponsorships and donations.

Item S2: Enter the amount of sponsorship allocated in accordance with Note 2. The amount entered must not exceed the amount in Box S1 or Box 34.

Item S3: Enter the amount of sponsorship allocated in accordance with Note 2. The amount entered must not exceed the amount in Box S1 or Box 35.

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

Item 38: Subtract Box S2 from Box 34 and enter the figure here.

Item 39: Subtract Box S3 from Box 35 and enter the figure here.

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

Item 41: This is sum of Boxes 38, 39 and 40. This is your taxable income before donations.

Item 42: 5% of taxable income before donations

Deduction for donations is capped at 5% of the taxable income before donation and loss relief. To calculate this cap, multiply Box 41 (taxable income before donation and loss relief) by 0.05 and enter the figure in here.

Item 43: Donations deductible

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

Item 44: Allocate the deductible donations in accordance with Note 3. The amount entered must not exceed Box 43 or Box 38.

Item 45: Allocate the deductible donations in accordance with Note 3. The amount entered must not exceed Box 43 or Box 39.

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

Item 47: Subtract Box 44 from Box 38 and enter the figure here.

Item 48: Subtract Box 45 from Box 39 and enter the figure here.

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

Item 50: This is the sum of Boxes 47, 48 and 49. This is your taxable income before loss relief.

Item 51: Business loss brought forward to be set off

In this box, enter the amount of business loss brought forward from previous tax year(s). For the loss to be eligible for loss relief, 5 years must not have elapsed from the end of the accounting period in which the loss was incurred. Loss brought forward from BPT era is also eligible for loss relief in accordance with the section 92 of the ITA. You may refer to the section 33 of Income Tax Act for further details.

Item 52: Enter the lower of Box 49 and Box 51 as the business loss relief for rental income.

Item 53: Transfer the amount from Box 47 and enter it as the taxable income for the year from remuneration, gifts and other income.

Item 54: Transfer the amount from Box 48 and enter it as the taxable income from capital gains.

Item 55: Subtract Box 52 from Box 49 and enter the computed amount as the taxable income from rent of immovable property.

Item 56: Add Boxes 53, 54 and 55 and enter the total. Transfer the amount in this box to the relevant taxable income field in Item 187 or Item 192, as applicable.

SECTION B

You are required to fill this section if Section A does not apply to you.

Please complete SCHEDULE ONE (Statement of profit or loss and other comprehensive income), before completing Section B.

How to complete SCHEDULE ONE is explained on page 59 of this guide.

Item 57: Total comprehensive income for the period

Transfer the amount in Box 19 in Schedule one.

If you have earned rental income from immovable property and chosen to deduct 20% of your rental income as the deduction against the rental income (the option given under Section 28 of ITA), fill in Items 58 to 61. If not, leave Items 58 to 61 blank and go to Item 62.

Item 58: Rental income

In this box, enter the total amount of rental income that you have earned from rent of immovable property. This should include the following:

a) all rental payments received in relation to the immovable property; and

b) security deposits, advance rental payments and any other payments received in relation to the immovable property, to the extent the lessor of the property has the right to consume part or full payment of it within the tax year; and

c) all payments received in relation to the rented property not resulting from the responsibilities of the lessee specified in the lease agreement; and

d) payments received in respect of anything affixed to the immovable property; and

e) payments received under an insurance policy obtained to compensate for the non-payment of rent; and

f) any payment received for breach of a lease agreement by the lessee.

Item 59: 20% of rental income

Enter an amount equal to 20% of the amount in Item 58 (Rental Income). To compute this amount, multiply the amount in Item 58 (Rental Income) by 0.20. This is the amount of deduction you will be able to claim against rental income as you have opted to claim deductions under Section 28 of the ITA.

Item 60: Expenses incurred to generate rental income

This is the total amount of expenses which are related to your immovable property rental business. These expenses have already been deducted in arriving at your total comprehensive income for the period in Schedule one.

Item 61: Adjustment to total comprehensive income for the period

This is the difference between 20% of your rental income and the expenses incurred to generate the rental income. Calculate this adjustment amount by deducting Item 59 from Item 60. If Item 59 is greater than Item 60, this will be a negative figure.

Deductions not allowed

You MUST NOT include any expense in Items 62 to 90 which have already been included in Item 60.

Item 62 - 91

Items 62 to 91 shows the amounts of accounting expenditure, which are not deductible in calculating your taxable income. Nevertheless, some of these expenses can be deducted subject to restrictions, and such expenses are included under the heading "Deductions allowed". Fill in Items 62 to 90 by populating the amounts as in your financial statements.

If you have expensed, in the Statement of profit or loss and other comprehensive income, fines or other amounts disallowed under Section 32 (a) (7) of the ITA, add back the amount by including in Item 76.

Also, add back expenditure incurred in deriving income made exempt under section 12 of ITA by including in Item 77, if you have expensed that expenditure in the Statement of profit or loss and other comprehensive income.

Item 80: Excessive Compensation

Excessive compensation as determined by the CG is not deductible as per Section 32(a)(11) of the ITA, hence it must be added back here.

Excessive compensation refers to an amount for which a deduction is claimed that the CG considers excessive in relation to the consideration provided for that amount. In determining whether compensation is excessive, the ordinary open market value of the consideration shall be taken into account.

This rule applies where the payment is made to:

a) a relative of an individual;
b) where the taxpayer is a company, a director or shareholder of the company, an associate of the company, or an associate of a director or shareholder of the company; or
c) where the taxpayer is a partnership, a partner, an associate of the partnership, or an associate of a partner of the partnership.

Refer to Section 79(v) of ITA and Section 71 of the ITR for further details.

Item 85: Expenditure on non-current assets not capitalised

Add back the expenditure on non-current assets not capitalised.

Item 86: Balancing charge

This is the amount transferred from the Statement of Balancing Allowance / Balancing Charge on page 14 of the return.

How to complete the Statement of Balancing Allowance / Balancing Charge is explained on page 55 of this guide.

Item 91: Total deductions not allowed

This item shows the total amount of expenses which cannot be deducted when calculating your taxable income. In this Item, enter the sum of Items 62 to 90.

Deductions allowed (excluding zakat al-mal and donations made in money)

Items 92 to 114 show the amounts deductible in calculating your taxable income. These were the deductions available subject to certain limitations for tax purposes. All the other general expenses which are related to your business have already been deducted when calculating your total comprehensive income for the period.

You must not include any deduction in Items 92 to 114 in respect of expenses incurred to derive rental income from immovable property, if you have made an election under Section 28 of the ITA.

Item 92: Capital allowance

A capital allowance is a tax allowance given to replace accounting depreciation. Depreciation is not an allowable deduction under ITA.

In this box, enter the total amount in your Statement of Capital Allowance. To derive this figure, fill in the Statement of Capital Allowance on page 13.

How to complete the Statement of Capital Allowance is explained on page 54 of this guide.

Item 93: Balancing allowance

Balancing allowance is a deduction allowed (allowance given) for loss on disposal of assets for which capital allowance has been claimed.

In this box, enter the total amount in your Statement of Balancing Allowance/ Balancing Charge. To derive this figure, fill in the Statement of Balancing Allowance / Balancing Charge on page 14 for assets disposed during the accounting period.

How to complete the Statement of Balancing Allowance / Balancing Charge is explained on page 55 of this guide.

Item 94: Allowable head office expenses

You should enter an amount here only if you are a permanent establishment of a non-resident. Head office expense includes expenditure incurred, directly or indirectly, on the permanent establishment in the Maldives by its head office. Deduction for head office expense is capped at 3% of the total income generated from the general course of the business carried on by that permanent establishment.

The maximum amount which you can deduct as head office expense is the lesser of:

a) The amount of head office expenses deducted when calculating your accounting profit. This is the amount in the Item 64; OR

b) 3% of Box 1 [Revenue] of Schedule 1.

In Item 94, state the lower of Item 64 and 3% of Box 1 of Schedule 1.

Refer to Section 24 of the ITA and Section 70 of the ITR for details on allowable Head office expenses.

Item 95: Employee welfare expenses allowed under section 20 of the Act

In Item 95, enter the total of expenditure incurred:

a) for the benefit of an employee who is incapacitated on medical grounds; or

b) for the benefit of the surviving spouse or child, below the age of 18 (eighteen) years, of a deceased employee; or

c) as a contribution to a fund established for the benefit of the person's employees, and the fund fully secures the rights of all employees to receive medical or other welfare support; or

d) for the promotion of general employee welfare without discrimination between employees.

Item 96: Pension contribution to MPRS as an employer

This is the amount you have paid to the Maldives Pension Administration Office (MPAO) as an employer. You must hold a receipt from MPAO to support this amount.

Item 97: Irrecoverable debts relating to transactions entered into after the commencement of the Act or included in the computation of taxable profit under the BPT Act

Enter the amount of irrecoverable debts written off during the accounting period as per section 23 of ITA.

Item 98: Receipts that have been subject to NWT (if you are a permanent establishment of a non-resident)

You should enter an amount here only if you are a permanent establishment of a non-resident, and wish to pay tax on this particular income on gross basis. If you wish to pay tax on this particular income on net basis, that is if the expenses in relation to this income was deducted in calculating the taxable income, you must not enter a figure here. This is the total amount of your income from which NWT has already been deducted by the payer.

Item 99: Interest/finance cost paid/payable to approved banks and institutions

Enter here the amount of interest /finance cost paid to banks and non-banking financial institutions approved by the CG.

List of banks and non-banking financial institutions approved by the CG is available on the website of MIRA.

Interest/finance cost in this case must have been incurred in relation to your business.

Item 100: Interest/finance cost paid/payable to non-approved persons at a rate not exceeding 6% per annum

Enter here the amount of interest/finance cost paid to persons other than banks and non-banking financial institution approved by the CG. Deductions available for such interest is capped at 6% per annum.

Interest/finance cost in this case must have been incurred in relation to your business. Where such costs arise from a transaction with an associated person, the amount claimed as a deduction must be consistent with the arm's length principle under section 67 of the ITA.

For the purpose of Item 99 and 100, interest paid on finance lease must be included as well.

Item 101: Cost of low-value assets allowed under section 78 of the Regulation

In this Item, enter the total amount deductible as cost of low-value assets as provided for in section 78 of ITR.

If you are preparing accounts on cash basis, you can deduct the expenditure on cost of low value assets, if the aggregate expenditure on acquisition of asset(s) does not exceed MVR 50,000. Further, if you are using accrual basis for preparing accounts, you can deduct expenditure on non-current assets not capitalized, if the expenditure on the acquisition of an asset together with like assets acquired at the same time as the asset does not exceed MVR 5,000. However, the aggregate of expenditure deducted as non-current assets not capitalized should not exceed MVR 100,000 where the accounts are prepared on accrual basis.

Item 102: Unrealised gains in relation to non-current assets and liabilities

In this box, enter the amount of unrealized gains at the end of your accounting period in relation to non-current assets and liabilities which have been included in arriving at your total comprehensive income.

Item 103: Unrealised gains from valuation of hedging contracts

In this box, enter the amount of unrealized gains at the end of your accounting period in relation to valuation of hedging contracts which have been included in arriving at your total comprehensive income.

Item 104: Gain on disposal of non-current assets not subject to capital gains tax

In this box, enter the accounting gains from disposal of non-current assets which have been included in arriving at your total comprehensive income. If the assets disposed were assets for which capital allowance have been claimed, then calculate balancing allowance / balancing charge.

Item 105: Gain on disposal of property subject to capital gains tax, included in the Statement of Profit or Loss

These are the gains derived from assets for which capital allowance was not claimed and such gain have been included in computing total comprehensive income. As the accounting treatment of such gains or losses may differ from the treatment required under the ITA, any accounting gain or loss included in the financial statements should be adjusted in the tax

computation as appropriate. The capital gain or capital loss must then be recalculated in accordance with the ITA, with taxable capital gains reported in Box 142 and allowable capital losses reported in Box 144.

Item 106: Provision for unearned income and reversals of expenditure provisions

State here the total amount recorded as income in the Statement of Profit or Loss and Other Comprehensive Income due to provisions for unearned income, and the reversal of previous accounting provisions for expenditure created since 18 July 2011.

Item 107: Asset impairment reversals

State here the total amount recognised as income in the Statement of Profit or Loss and Other Comprehensive Income arising from the reversal of impairment losses on assets. This includes reversals of impairment losses previously recognised in accordance with the applicable financial reporting standards. Enter only the amount of impairment reversals that has been included in arriving at total comprehensive income for the year.

Item 108: Directors' / Partners' remuneration

If you are an individual, this Item doesn't apply to you.

Enter here the total amount of director's fee/ remuneration paid to the board directors of the company or equivalent paid to the partners of the partnership.

Excessive compensation is not deductible for the purpose of computing the taxable income, as per 32(a) (11) of the ITA. Refer to Item 80 in Page 30 of this guide,

Item 109: Revenue generated from carrying passengers, livestock, mail, etc. as specified under section 11(r) of the Act, included in the Statement of Profit or Loss and Other Comprehensive Income

If you were a non-resident shipping or air aircraft operator in international transportation and your total income included income derived from carrying passengers or livestock or mail or parcels or merchandise or goods on an aircraft or a ship which departs from a place in the Maldives, then enter that amount here.

Income exempt under section 12 and Section 12-1 of the Act, included in the Statement of Profit or Loss and Other Comprehensive Income

Item 110: Dividends received from a resident company (if you are a resident)

This Item applies to you only if you are a resident of the Maldives. If you are not a resident, leave this Item blank.

Enter the total amount of dividends from resident companies, which have been included in your total comprehensive income.

Dividends received by a resident of the Maldives from a resident company is exempt from Income Tax.

Item 111: Profits received from a resident partnership (if you are a resident)

This Item applies to you only if you are a resident of the Maldives. If you are not a resident, leave this Item blank.

Enter the total amount of share of profits from a resident partnerships which have been included in your total comprehensive income.

Profits received by a resident of the Maldives from a resident partnership is exempt from Income Tax

Item 112: Other amounts exempt under section 12 of the Act but included in the Statement of Profit or Loss and Other Comprehensive Income

Enter here the amount of income exempt from income tax included in your total comprehensive income, excluding the amounts in Item 110 and Item 111.

Please refer to Section 12 of ITA to identify income exempt from income tax.

Item 113: Income exempt under section 12-1 of the Act but included in the Statement of Profit or Loss and Other Comprehensive Income

Enter here the amount of income exempt from income tax under Section 12-1 [Special exemption from payment of tax] of the ITA that has been included in your total comprehensive income. This Item allows taxpayers to deduct income that is exempt under Section 12-1 of the Act but has been recognised as income in the Statement of Profit or Loss and Other Comprehensive Income. Do not include any amounts already entered in Items 110, 111 or 112.

Before claiming a deduction under this Item, ensure that the income qualifies for exemption under Section 12-1 of the ITA and that all conditions applicable to the relevant exemption project or activity have been satisfied throughout the exemption period.

Expenses incurred to generate income exempt under section 12-1 of the ITA, included in the Statement of Profit or Loss and Other Comprehensive Income must be added back under Item 89.

Item 114: Other amounts deductible

This is the total of any other amounts deductible in respect of your business income which you have not deducted in arriving at your total comprehensive income.

Item 115: Total amount of deductions allowed

This is the total amount which can be deducted in respect of your business income before the application of the thin capitalization rule, and allowing deductions for zakat al-mal, donations and business loss relief. Calculate this figure by adding up Boxes 92 to 114.

Item 116: Taxable income / tax loss from business before thin capitalization, zakat al-mal and donations

To calculate this figure, subtract Box 115 from the sum of Boxes 57, 61 and 91.

Interest disallowed under the thin capitalization rule (Section 71 of the Act)

You are not required to complete item 117 to 126 if you are exempt from the thin capitalization rule. You are exempt from the thin capitalization rule if you can tick any one category listed under Item VII on page 3.

If thin capitalization rule applies to you, deduction in relation to your interest expense will be allowed up to 30% of your tax-EBITDA. This rule does not apply to interest paid/payable to:

- MMA licensed banks,
- MMA licensed housing finance businesses,
- MMA licensed finance leasing businesses,
- MMA licensed any other finance businesses,
- MMA licensed insurance businesses.

Please refer to Section 71 of ITA for the rules on thin capitalization rule.

Item 117: Tax-EBITDA

To calculate this figure, add up Boxes 116, 92, 93, 99 and 100. If the answer is negative, enter zero.

Item 118: Interest capacity (30% of tax-EBITDA)

To compute this figure, multiply Item 117 by 0.30. Interest capacity is 30% of your tax-EBITDA.

Item 119: Interest disallowed due to thin capitalization (brought forward from previous year)

If you are filling Income Tax Return 2020, enter here zero.

Interest disallowed in the year 2021 and thereafter can be carried forward for not more than 10 years and deducted against available interest capacity of the future years.

Item 120: Deductible disallowed interest brought forward from previous year

Enter the lower of the amount in Box 118 and Box 119.

Deduction available for interest in any given year is always limited to interest capacity of that year.

(If you are filling Income Tax Return 2020, this will be zero)

Item 121: Interest capacity available for deduction of current year interest

To calculate this figure, subtract Box 120 from Box118.

Item 122: Interest disallowed before exemptions

To calculate this figure, subtract Box 121 from sum of Box 99 and 100. If the answer is negative, enter zero.

This is the amount of interest disallowed due to the thin capitalization rule before exemptions are applied.

Item 123: Interest/finance cost paid/payable to MMA licensed banks

Enter here the total amount interest/finance cost included in Box 99 which had been paid to MMA licensed banks.

The total amount of interest paid or payable to a bank licensed by MMA can be deductible in full without being subject to the thin capitalization rule.

Item 124: Interest/finance cost paid/payable to MMA licensed housing finance businesses

Enter here the total amount interest/finance cost included in Box 99 which had been paid to MMA licensed housing finance businesses.

The total amount of interest paid or payable to a housing finance company licensed by MMA can be deductible in full without being subject to the thin capitalization rule.

Item 125: Interest/finance cost paid/payable to MMA licensed leasing finance businesses

Enter here the total amount interest/finance cost included in Box 99 which had been paid to MMA licensed leasing finance businesses.

The total amount of interest paid or payable to a leasing finance company licensed by MMA can be deductible in full without being subject to the thin capitalization rule.

Item 126: Interest/finance cost paid/payable to MMA licensed insurance businesses

Enter here the total amount interest/finance cost included in Box 99 which had been paid to MMA licensed insurance businesses.

The total amount of interest paid or payable to an insurance company licensed by MMA can be deductible in full without being subject to the thin capitalization rule.

Item 127: Total amount exempt from thin capitalization

Enter the sum of Boxes 123, 124, 125 and 126.

Item 128: Total interest disallowed from current year interest

To calculate this figure, subtract Box 127 from Box 122. If the answer is negative, enter zero.

This is the total amount of current year's interest expense disallowed and the amount that can be carried forward for not more than ten years to be deducted against the interest capacity of the subsequent periods.

Item 129 and Item130: Taxable income from business before zakat al-mal and donations and business loss relief /Tax loss from business

To calculate this figure, subtract Box 120 from sum of Boxes 116 and 128. If the figure is positive, enter the figure in Box 129. If this figure is a negative, it is a tax loss from business. Enter that amount in Box 130.

TAXABLE INCOME FROM REMUNERATION

Fill in items 131 to 140 if you are an individual and you derived income from remuneration.

Item 131: Remuneration

In this box, enter the total remuneration before pension deduction, which you received during the tax year. Remuneration includes salary, wages, allowances and benefits derived by you as an employee or director or partner as consideration for services rendered by you and includes any compensation for loss of employment or service, restrictive covenant payment, and entry or exit inducement payment. Except for non-monetary benefits and allowances specified in Section 12 of the ITA, all the other allowances and benefits, whether or not paid in a monetary form, must be included in the remuneration.

A guide explaining non-monetary benefits provided to employees is available here.

Item 132: Pension contributions made as an employee to MRPS

In this box, enter the total amount of pension contributions made as an employee to MRPS in the tax year. This information may be retrieved from MPAO online portal.

Item 133: Special clothing required for work (see section 32(b)(3) of the Act)

In this box, enter the amount of total cost incurred for special clothing required for work, which are specifically designed to be worn at work and not suitable to be worn outside of work.

Item 134: Cost of trainings, costs directly related to employment and costs contributing to employment promotions (see section 32(b)(5) of the Act)

In this box, enter the sum of costs incurred for:

- Trainings that are directly related to your employment.
- Trainings that are directly related to the performance of your employment.
- Trainings that directly contribute to your employment promotion opportunities.

Cost of trainings does not include the cost of your education whether or not it is directly relevant to your employment.

Item 135: Necessary expenses for the performance of employment duties *(Applicable until 20 July 2021)*

In this box, enter the total amount of expenses incurred which is necessary for the performance of your duties of the employment. This does not include cost of commuting to and from your residence and place of work and cost of clothing worn to work.

You can only deduct expenses for the performance of employment duties that were incurred until 20 July 2021. Such expenses that were incurred after 20 July 2021 cannot be deducted.

Item 136: Total deductions before zakat al mal and donations

To compute the figure sum the Boxes 132, 133, 134 and 135.

Item 137: Deductions allowed before zakat al mal and donations

Enter the lower of Box 131 and Box 136.

Item 138: Taxable income from remuneration

To calculate this figure, subtract Box 137 from Box 131.

Item 139: Amounts exempt under section 12 of the Act, included in the amount of remuneration subject to EWT by the employer

Enter the amount of income exempt under Section 12 of the Income Tax Act that was included by the employer in the amount of remuneration subject to Employee Withholding Tax (EWT). Such exempt income may be deducted from taxable income from remuneration where it was incorrectly included in the remuneration subject to EWT by the employer.

Item 140: Taxable income from remuneration before zakat al-mal and donations

To compute the figure, subtract sum Box 139 from Box 138. If the figure is negative, enter zero.

TAXABLE CAPITAL GAINS

Refer to Section 30 of the ITA and Chapter 13 of the ITR on the computation of capital gain or loss for tax purposes. Do not include any capital gains/losses that are exempt from income tax.

Item 141: Capital gains derived but not included in the Statement of Profit or Loss and Other Comprehensive Income.

In this box, enter the amount of capital gains derived but you have not included in the Statement of Profit or Loss and Other Comprehensive Income.

Item 142: Capital gains on disposal of property subject to capital gains tax, included in the Statement of Profit or Loss and Other Comprehensive Income.

Enter the amount of gain calculated in accordance with the provisions of the Income Tax Act and the Income Tax Regulation. This box must be completed using the gain computed under the tax rules and should not be based on the accounting gain recognised in the financial statements.

Item 143: Capital loss incurred but not included in the Statement of Profit or Loss and Other Comprehensive Income

In this box, enter the amount of capital loss incurred but not included in the Statement of Profit or Loss and Other Comprehensive Income.

Item 144: Capital loss on disposal of property subject to capital gains tax, included in the Statement of Profit or Loss and Other Comprehensive Income

Enter the amount of loss calculated in accordance with the provisions of the Income Tax Act and the Income Tax Regulation. This box must be completed using the loss computed under the tax rules and should not be based on the accounting loss recognised in the financial statements.

Item 145: Net capital gains before capital loss relief, zakat al-mal and donations

To compute the figure, add Boxes 141 and 142, and subtract Boxes 143 and 144 from the total..

Item 146: Capital loss brought forward from previous year

In this box, enter the amount of capital loss carried forward from previous tax year(s).

Capital losses may be carried forward and deducted against capital gains for up to 5 years from the end of the accounting period in which the loss was incurred.

Where you have capital losses from more than one year, the losses must be utilised in the order in which they were incurred, with the earliest loss being deducted before any later losses.

Item 147: Capital loss relief

In this box, enter the amount in Box 145 or Box 146, whichever is lower. If Box 145 is negative, enter zero.

Item 148 and Item 149: Net taxable capital gains before zakat al-mal and donations

Calculate this figure by subtracting Box 147 from Box 145. If this answer is negative, enter the figure in Box 149 .

TAXABLE INCOME FROM GIFTS AND OTHER INCOME

Fill in Box 150 to Box 153, if you derived income in the form of a gift or any other income that did not constitute business income, rental income, remuneration or capital gains.

Any gift (excluding the exempt gift) and other income as defined above must be included in this subsection of the return.

Item 150: Gross amount of gifts

This Item is only applicable to individuals.

In this box, enter the value of the gifts received during the tax year, excluding any exempt gift.

Gifts received as below are exempt from Income Tax:

- Gifts received by an individual (up to a maximum of MVR 40,000 Rufiyaa per an accounting period). This means, if the total value of the gifts during the accounting period is more than MVR 40,000, the amount that exceeds MVR 40,000 is taxable.
- Gifts received by an individual from a relative
- Wedding gifts [received not more than 30 days before the date of marriage and not more than 30 days after the date of marriage, to the person getting married]
- Gifts received from the State
- Gifts received from a charitable organization approved by the Commissioner General.

Item 151: Other income (other than business income, remuneration and capital gains)

Include in this item, income that does not fall within business income, remuneration, capital gains and gifts. Rental income from lease of immovable property is considered as a business income.

Business income is an income derived from an activity within the definition of "business" which includes trading of goods, manufacturing activities, professional, commercial, technical or personal services and granting rights in relation to movable or immovable property.

Remuneration includes salary, wages, allowances and benefits derived by you as consideration for services rendered, and includes any compensation for loss of employment or service, restrictive covenant payment, and entry or exit inducement payment.

Capital gains are the amounts derived from the disposal of movable, immovable, intellectual or intangible property in respect of which a deduction for capital allowance is not claimed under the Income Tax Act.

Item 152: Total taxable income from gifts and other income before zakat al-mal and donations

This is sum of Boxes 150 and 151.

Item 153: Total taxable income before zakat al-mal and donations and business loss relief

This is sum of Boxes 129, 140, 148 and 152.

DEDUCTION OF ZAKAT AL-MAL, DONATIONS AND BUSINESS LOSS RELIEF

Item 154: Total Zakat al-mal paid

Enter the amount of zakat al-mal paid by you to State institution during the year, provided that you possess a receipt that specifies the amount paid as zakat al-mal.

Item 155: Donations made to State institutions and approved charitable organizations

To calculate this figure, first you have to fill in the Statement of Donations to the relevant State Institutions and Charitable Organizations on page 15 of the return.

In here, enter the total amount of 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 56 of this guide.

Item S5: Total sponsorship money paid

Enter the total amount of sponsorship paid in money during the year that qualifies for a deduction under Section 35 of the Sports Act (Law Number 30/2015). Transfer the total from the relevant Statement of Sponsorships. Refer to the instructions under Item S1 in Section A in Page 26 of this guide for further details regarding qualifying sponsorships.

A deduction may be available for sponsorships paid in money in accordance with Section 35 of the Sports Act, subject to the conditions specified in the Income Tax Act and the Sports Act.

Complete the table below (Item 156 to 184) to calculate the taxable income after deduction of zakat al-mal, donations and business loss relief. If you are using the fillable version, these Items will be filled automatically. Otherwise, follow the steps below.

Item 156: This is sum of Boxes 140 and 152.

Item 157: This is the amount in Box 148

Item 158: This is the amount in Box 129.

Item 159: Allocate the amount of zakat al-mal as per Note 1. The allocated figure should not be greater than Box 154 and Box 156.

Item 160: Allocate the amount of zakat al-mal as per Note 1. The allocated figure should not be greater than Box 154 and Box 157.

Item 161: Allocate the amount of zakat al-mal as per Note 1. The allocated figure should not be greater than Box 154 and Box 158.

Taxable income before sponsorships and donations

The items from Box 162 to Box 165 show the taxable income remaining after the allocation of Zakat al-mal and before the allocation of sponsorships and donations.

Item 162: Subtract Box 159 from Box 156 and enter the figure here.

Item 163: Subtract Box 160 from Box 157 and enter the figure here.

Item 164: Subtract Box 161 from Box 158 and enter the figure here.

Item 165: Enter the sum of Box 162, 163 and 164.

Allocation of sponsorship money paid

In Boxes S6, S7 and S8 enter the amount of sponsorship money paid that is allocated in accordance with Note 2 on Page 5 of the return. The amount entered must not exceed the amount available for allocation under Note 2 or the taxable income in the relevant category.

These items show the deduction claimed for sponsorship money paid in accordance with Section 35 of the Sports Act (Law Number 30/2015). The deduction must be allocated among the relevant income categories in accordance with Note 2.

Item S6: Allocate the amount of sponsorship money paid as per Note 2. The allocated figure should not be greater than Box S5 and Box 162.

Item S7: Allocate the amount of sponsorship money paid as per Note 2. The allocated figure should not be greater than Box S5 and Box 163.

Item S8: Allocate the amount of sponsorship money paid as per Note 2. The allocated figure should not be greater than Box S5 and Box 164.

Items 162-165

The items from Box 166 to Box 169 show taxable income before allocation of donations, but after allocation for Zakat Al Mal and sponsorship paid in money

Item 166: Subtract Box S6 from Box 162 and enter the figure here.

Item 167: Subtract Box S7 from Box 163 and enter the figure here.

Item 168: Subtract Box S8 from Box 164 and enter the figure here.

Item 169: Enter the sum of Box 166, 167 and 168.

Item 170: 5% of taxable income before donations

Deduction for donations is capped at 5% of the taxable income before donation and loss relief.

To calculate this cap, multiply Box 169 by 0.05. Enter the figure in Box 170.

Item 171: Donations deductible

Enter the amount which is lower of Box 170 and Box 155. This is the maximum amount you can deduct as donation.

Item 172: Allocate the remaining deductible amount of donation as per Note 3 and the figure should not exceed Box 171 and Box 166.

Item 173: Allocate the remaining deductible amount of donation as per Note 3 and the figure should not exceed Box 171 and Box 167.

Item 174: Allocate the remaining deductible amount of donation as per Note 3 and the figure should not exceed Box 171 and Box 168.

Item 175: Subtract Box 172 from Box 166 and enter the figure here.

Item 176: Subtract Box 173 from Box 167 and enter the figure here.

Item 177: Subtract Box 174 from Box 168 and enter the figure here.

Item 178: This is the sum of Boxes 175, 176 and 177. This is your taxable income before business loss relief.

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

Item 179: Business loss brought forward to be set off

Enter the amount of unrelieved business loss brought forward from previous tax year(s) that you wish to claim as loss relief in the current year. You may enter all or part of the eligible loss available to be carried forward. The amount claimed must not exceed your taxable income for the year. Any eligible unrelieved loss not claimed may be carried forward and claimed in a future year, subject to the requirements of the Act.

For the loss to be eligible for loss relief, 5 years must not have elapsed from the end of the accounting period in which the loss was incurred. Losses brought forward from the BPT regime are also eligible for loss relief in accordance with Section 92 of the Income Tax Act. Please refer to Section 33 of the Income Tax Act for further details.

Item 180: Amount you deduct as business loss relief should not be greater than the total taxable income before loss relief from business income (Box 177). Hence, enter here the amount which is the lower of Boxes 177 and 179.

Item 181: Transfer the amount in Box 175 to here.

Item 182: Transfer the amount in Box 176 to here.

Item 183: Subtract Box 180 from Box 177 and enter the answer in here.

Item 184: Add the amounts in Box 181, Box 182 and Box 183 and enter the figure in here. This is the taxable income for the year before income from CFEs.

Item 185: This is the amount of taxable income from Controlled Foreign Entities (CFE's) attributable to you. This is the amount transferred from Item 6 of Schedule 5. If you have

more than one CFE, you must transfer the aggregate of the figures in Item 6 of each of the sheets of the schedule you submit.

How to complete the Schedule 5 is explained on page 69 of this guide.

Item 186: In this box, enter the sum of Boxes 184 and 185. This is the taxable income for the year.

Transfer the amount in Box 186 to either Box 187 (if you are a person other than an individual) or to Box 192 (if you are an individual).

Now 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

This part of the Section C must be filled by persons other than individuals to compute the tax liability. If you are an individual skip this part and go to part 2 (Tax liability computation for individuals) of Section C.

Item 187 – Taxable income for the year

If you have filled the Section A of the tax return, this is the amount in Box 56. If you have filled Section B of the tax return, this is the amount in Box 186.

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.

Item 189 - Amount subjected to tax at 0%

Enter here the lower of Box 187 and Box 188.

Item 190 - Amount subjected to tax at 15%

Subtract the Box 188 from the Box 187, and enter the figure here. If the answer is negative, enter zero.

Item 191 – Tax liability for the year

Multiply the Box 190 by 0.15 and enter the figure here.

Transfer this amount to Item A of page 1 of the tax return, and go to Item 204 if you are a non-resident who also derives income specified in 11(r) of ITA.

Example 1: Tax liability computation for a person who is not an individual

ABC Pvt Ltd was incorporated 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). [The company is not a member of a group of companies and hence A=0]

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

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

Here is how amount subject to tax at15% is calculated.

Item 190 = 2,400,000.00 – 335,616.44

= 2,064,383.56

2. Tax liability computation for individuals

This part is to be filled ONLY if you are an individual.

Item 192 – Taxable income for the year

Total taxable income for the individual, as computed in section A or Section B of the tax return must be entered here. If you have filled the Section A of the tax return, this is the amount in Box 56 and if you have filled Section B of the tax return, this is the amount in Box 186.

Items 193 – 202

Use the formulas stated in Note 5 to calculate the size of tax brackets in items 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. The formulas in Note 5 are:

- If the accounting period starts on the first day of the month, size of the bracket is:

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

- If the accounting period starts on a day other than the first day of a month:

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

- If the accounting period ends on a day other than the last day of a month:

$$\frac{n-1}{12} \times m + \frac{s}{t} \times r$$

- If the accounting period starts on a date other than the first day of a month and ends on a date other than the last day of a month:

$$\frac{p}{q} \times r + \frac{n-2}{12} \times m + \frac{s}{t} \times r$$

Where,

p = Number of days from the start of the accounting period till the end of the 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 respective monthly tax bracket

n = Number of months in the accounting period

m = Full amount of respective annual tax bracket

s = Number of days from the first day of the month in which the accounting period ends to the date on which the accounting period ends

t = Total number of days in the month in which the accounting period ends

Below is an example, where the first formula above is used to calculate tax brackets and income is allocated to each tax brackets. Brackets are filled starting from the 0% bracket in that order. Maximum amount entered in each tax bracket must not exceed the size of the tax bracket.

Example 2: Tax liability computation for an individual

Fathima had not been registered with MIRA during the BPT regime. Fathima started deriving income when she started a business on 1 April 2020. Hence her accounting period for the tax year 2020 was from 1 April 2020 to 31 December 2020 (275 days). Below is the computation of size of tax brackets available for her.

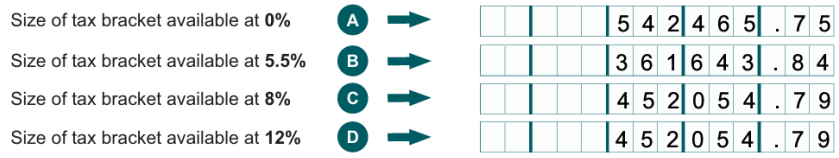
A. Size of tax bracket available at 0% $= \frac{275}{365} \times 720{,}000 = 542{,}465.75$

B. Size of tax bracket available at 5.5% $= \frac{275}{365} \times 480{,}000 = 361{,}643.84$

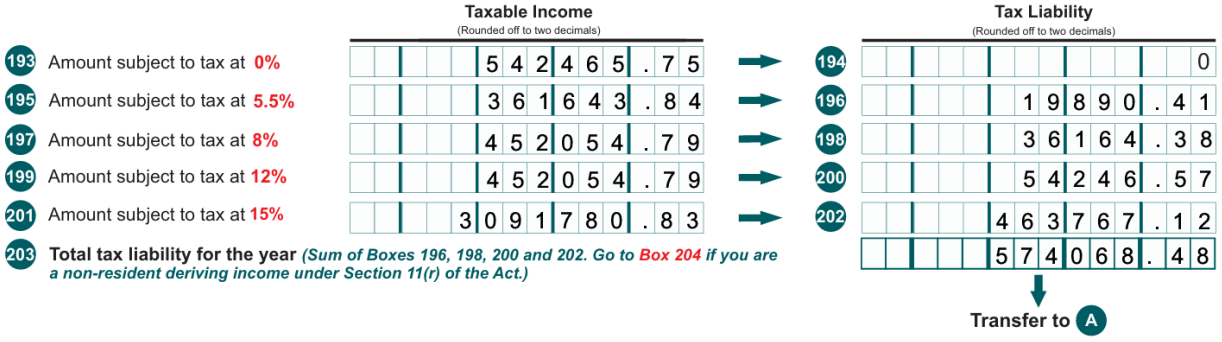
C. Size of tax bracket available at 8% $= \frac{275}{365} \times 600{,}000 = 452{,}054.79$

D. Size of tax bracket available at 12% $= \frac{275}{365} \times 600{,}000 = 452{,}054.79$

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.



Divide the taxable income in Box 192 using the formulae in Note 5, filling each tax bracket starting from the bracket taxed at 0%, in that order. Amounts entered in each tax bracket must not exceed the size of the bracket available.



Here is how amount subject to tax at15% is calculated.

Item 201 = 4,900,000.00 – (542,465.75+361,643.84+ 452,054.79+ 452,054.79)

= 3,091,780.83

Item 203 – Total tax liability for the year

Add up Boxes 196, 198, 200 and 202, and enter the figure in Box 203 and transfer the amount to Item A of page 1 of the tax return. Go to Item 204 if you are a non-resident who also derives income specified in 11(r) of ITA.

3. TAX LIABILITY IN RESPECT OF INCOME SPECIFIED IN SECTION 11(r) OF THE ACT

You must complete this part only if you are a non-resident shipping or aircraft operator in international transportation deriving income from carrying passengers, livestock, mail, parcels, merchandise or goods from a place in the Maldives. Income from ships and income from aircraft must be reported separately in the relevant boxes.

Item 204 – Indicate in the boxes below whether you are a resident of Bangladesh applying Article 8 of the DTAA between Maldives and Bangladesh

Tick "Yes" if you are a resident of Bangladesh applying Article 8 of the DTAA between Maldives and Bangladesh. If not, tick "No".

Item 205 and Item 206 – Total amount of income derived under section 11(r) of the Act

Enter the total amount of income (i.e. Gross income) derived from the Maldives as per Section 11(r) of the ITA including any income exempt under 12(k) or 12(h) of ITA. If the income is from ships enter the amount in Box 205. If the income is from aircraft enter the amount in Box 206.

Item 207 and Item 208 – Amount of income exempt under Section 12(k) of the Act included in Box 205 and Box 206

Enter here the amounts included in the Item 205 and Item 206 that are exempt under Section 12(k) of ITA. If the exempted income is from ships enter the amount in Box 207. If the income is from aircraft enter the amount in Box 208.

Item 209 and Item 210 – Amount of income exempt under Section 12(h) of the Act included in Box 205 and Box 206

Enter here the amounts included in the Item 205 and Item 206 that are exempt under Section 12(h) of ITA. If full amount or a part of income included in Item 205 and Item 206 is exempt under a tax treaty, enter that amount here. If the exempted income is from ships enter the amount in Box 209. If the income is from aircraft enter the amount in Box 210.

Enter Zero in Box 209 if you have ticked "Yes" in Box 204.

Item 211 and Item 212 – Amount of taxable income derived as under Section 11(r) of the Act

In Box 211, subtract the Box 207 and Box 209 from Box 205, enter the figure.

In Box 212, subtract the Box 208 and Box 210 from Box 206, enter the figure.

Item 213 and Item 214 – Tax liability for the year

In Box 213, multiply the Box 211 by 0.02, enter the figure here. If you have ticked "Yes" in the Box 204, multiply Box 211 by 0.01.

In Box 214, multiply Box 212 by 0.02.

Item 215 – Total tax liability for the year from income specified in Section 11(r) of the Act

Enter here the sum of Box 213 and Box 214.

COMPUTATION OF INCOME TAX PAYABLE

This is the front page of the Income Tax Return and applicable to all taxpayers.

Item A – Total tax liability

If you are a person other than an individual, enter the figure in Box 191. If you are an individual, enter the figure 203.

Item B – Foreign tax credit

This item is applicable to you if you were a resident of the Maldives for the tax year. If you were a non-resident, enter zero here.

Residents are assessed for tax on income earned from Maldives and abroad. If you have paid tax in a foreign jurisdiction on income sourced outside Maldives and you have included such income in this return including taxable income of CFE attributable to you (i.e. as per schedule five), you may be entitled to a foreign tax credit.

Enter the amount of credit that you want to claim during the tax year as a foreign tax credit in here. If you enter an amount in this box, you must attach explanation and supporting documents and acknowledge submission of these documents in the document checklist in page 2 of the return.

For more information on foreign tax credit, please refer Section 72 of Income Tax Act and chapter 15 of the Income Tax Regulation.

Item C – Tax payable (exclusive of 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

Transfer here the amount in Box 215.

Item E – Total tax payable for the year

This is sum of Box C and Box D.

Item F – EWT deducted by your payer

This item applies to you only if you are an individual deriving income as remuneration.

Persons earning remuneration can deduct the amount employee withholding tax (EWT) deducted by the payer. Enter the sum of EWT deducted by your payer(s) during the tax year. This can be retrieved from your salary slips or from MIRAconnect.

EWT amount deducted must be the amount remaining after you have claimed in "EWT deducted by your payer" for your interim return (MIRA 603).

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 PE.

If you want to deduct the amount of 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

If you want to deduct the amount of CGWT (Capital Gain Withholding Tax) that your payer has deducted from the payments paid to you during the tax year, you can enter that amount here. Where the CGWT relates to the disposal of an asset reported in Schedule 6: Reporting of Offshore Transfers, ensure that the relevant Schedule 6 is completed and submitted with the return. You may refer to section 50-1 of Income Tax Act for more details of CGWT.

Item I – First interim payment

Enter the amount due as your first interim payment for the year. This is the amount generated in item 3 or item 13 of your Interim return (MIRA 603). If not, enter ZERO here.

Item J – Second interim payment

Enter the amount due as your second interim payment for the year. This is the amount generated in item 3 or item 13 of your Interim return (MIRA 603). If not, enter ZERO here.

Item K – Income tax paid in excess to date

Enter the total income tax excess including refunds and payments to date

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, K and L from Item E.

Item N – Amount being paid

This is the amount of tax that you are paying at the time of filing 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", it must be signed by the taxpayer or an authorized signatory registered with MIRA. The managing director of a company, managing partner of a partnership or the owner of a sole proprietorship can sign the return.

For office use only

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

STATEMENT OF CAPITAL ALLOWANCE

This is the statement on page 13 of the return. If you are claiming a capital allowance (Item 92), you must first fill in this statement.

You must calculate the amounts referred to in the Statement of Capital Allowance for each individual asset separately and enter the total amounts for each asset category.

- Column 2: Cost of assets: When calculating the aggregate amount to enter here, add up the cost of the assets which have positive written down value on the commencement of the accounting period and cost of assets acquired during the accounting period (which have been used for more than half of the accounting period), and subtract cost of assets disposed during the accounting period.
- Column 3: Capital allowance at cost: This is the capital allowance per annum based on the capital allowance rates. Again, calculate the values of individual assets and enter aggregates here. Below instructions apply only when you are calculating for a single asset.
    a) For tangible assets: Column 1 multiplied by column 2.
    b) For intangible assets: Cost price of the intangible asset divided by its estimated useful life (in years). If an intangible asset has an indefinite useful life, the useful life of the asset must be deemed as 10 (ten) years.
    c) For reclamation of land: Expenditure incurred on land reclamation divided by lease period (in years) or 25 years, whichever is the greater.
- Column 4: Notional adjustment: Notional adjustment to the cost of the assets held at the date of commencement of the Act of which the cost had not been determined under the BPT Regulation.
- Column 5: Accumulated capital allowance claimed: Capital allowance claimed for the preceding tax years. Capital allowance claimed under the BPT Act and depreciation claimed under the Bank Profit Tax Act can be deemed as capital allowance claimed for the preceding tax years.
- Column 6: Written down value: This is the cost of the asset (Column 2) minus the notional adjustment (Column 4) and accumulated capital allowance claimed (Column 5).
- Column 7: Claimable capital allowance: This is the lower of:
    a) Capital allowance at cost (Column 3), and
    b) Written down value (Column 6).

After entering the aggregate amounts in column 7, sum-up the figures in column 7 and enter in the TOTAL box, and transfer that amount to Item 92.

STATEMENT OF BALANCING ALLOWANCE / BALANCING CHARGE

This is the statement on page 14 of the return. If you disposed of an asset during the year, for which capital allowance had been claimed, you must fill in this statement.

The amounts for each column must first be calculated separately for individual assets and the sum for the category must be posted in each column of the statement in the return. Do NOT sum up the value for each category of asset before making the calculations separately for individual assets, as it would distort the balancing allowance / balancing charge figure.

- Column 8: Cost of disposed assets: This is the actual cost of the asset disposed.
- Column 9: Accumulated capital allowance claimed for the disposed asset: This is the accumulated capital allowance claimed after the date of commencement of the BPT Act (18 July 2011)
- Column 10: Written down value: This is the tax written down value of the asset. Subtract accumulated capital allowance (notional adjustment plus capital allowance claimed for the preceding years) from the cost of the asset.
- Column 11: Disposal value: This is the proceeds from disposal of the asset, i.e. the consideration from the sale of the asset less expenses directly related to the sale of the asset.
- Column 12: Gain/loss on disposal: This is the disposal value of the asset (Column 11) minus the written down value of asset (Column 10).
- Column 13: Capital gain: This is the disposal value of the asset (Column 11) minus the cost of the disposed asset (Column 8). If the answer is negative, enter zero.
- Column 14: Balancing charge / balancing allowance: This is the amount of capital gain (Column 13) plus lower of the accumulated capital allowance claimed for the disposed asset (Column 9) and the gain/loss on disposal of the asset (Column 12). If the answer is positive, enter the amount as a balancing charge in Column 14.1. If the answer is negative, enter the amount as a balancing allowance in Column 14.2 (please remove the negative sign before doing so).

  Total column 14.1 and transfer the figure to Item 86. Total column 14.2 and transfer the figure to Item 93.

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 State institution or charitable organization 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.

Total column 4 and transfer the total amount to 27 (if you are completing Section A) or Item 155 (if you are completing Section B).

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 (if you are completing Section A) or Item S5 (if you are completing Section B).

SCHEDULE ONE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

This schedule must be completed before attempting to complete section B

This schedule must be completed by ALL persons who carried on business during the year, except those who earned only rental income from immovable property and chose to make the election under the Section 28 of the ITA (20% deduction option). If you receive rental income, it should be included under "other income".

This statement corresponds to the figures in the Statement of profit or loss and other comprehensive income (SPLOCI) prepared for the accounting period for accounting purposes. Enter the relevant and corresponding figures from your SPLOCI in each Item in this section. In Box 11, enter related party expenses other than expenses included in Box 7, Box 8, Box 9, Box 10, Box 12, Box 13, Box 14 and Box 15. Related party transactions are transaction made with associates defined in Section 79 (ss) of ITA.

After completing this section, please go back to page 7 for Section B.

Schedules 2-6 are also parts of the Income Tax Return (MIRA 604), and if you are required to submit any of the schedules, your return will be complete only upon submission of that schedule.

SCHEDULE TWO

STATEMENT OF FINANCIAL POSITION

This schedule must be completed by ALL persons carrying on business and preparing accounts on accrual basis.

This statement corresponds to the statement of financial position prepared for the accounting period for accounting purposes.

SCHEDULE THREE

STATEMENT OF NET WORTH EXCLUDING BUSINESS (INDIVIDUALS ONLY)

Individuals earning a gross annual income, including business income and other income in excess of MVR 20 million are required to fill the statement of net worth.

In this schedule, do NOT include any business asset or liabilities if it is used in the business carried under individual. Personal assets and liabilities of the individual including personal guarantees must be declared in the statement.

Value of the assets and liabilities of the individual must be estimated and entered in the relevant box. Where relevant, if any asset jointly owned or jointly responsible for any liability, value of the asset or liability attributable to the individual for his share must be entered.

SCHEDULE FOUR

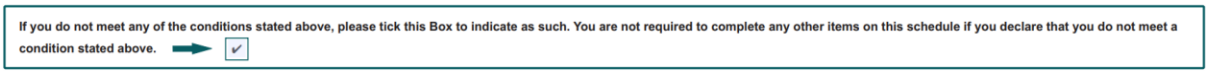
REPORTING OF INTERNATIONAL TRANSACTIONS WITH ASSOCIATES

This schedule needs to be filled only if one or more of the following conditions apply to you. Tick all the conditions applicable to you.

- You had an associate which was resident in a jurisdiction other than Maldives
- You derived income from business carried out through permanent establishment in Maldives
- You derived income from a business carried out through a permanent establishment in a jurisdiction other than Maldives
- You are formed or incorporated in a country other than Maldives (irrespective of whether or not you are re-registered in Maldives)
- An individual other than a Maldivian held more than 50% of your shares or interest
- An entity formed or incorporated in a country other than the Maldives holds more than 50% of your shares or interest
- Your total annual income is MVR 20 million or more and you have carried out international transactions

In this schedule ONLY include the details of international transactions. If the information requested in a field is not relevant to your circumstances, leave the field blank.

If you do not meet any of the conditions stated above, please tick this box to indicate as such. You are not required to complete any other items on this schedule if you declare that you do not meet a condition stated above.



TIN (Taxpayer Identification Number): In this box, enter the TIN as shown on the Notification of Income Tax Registration issued to you.

Accounting Period: This is the start date and end date of the accounting period covered by your return.

PART 1 – SHAREHOLDING DETAILS

1.1 Taxpayer's Shareholder details

If you are a company, provide details of the shareholders here. Provide name of the shareholder (a legal or natural person), shareholder Identification Number, shareholder's country of residence, percentage of shareholding and effective tax rate in the jurisdiction where the taxpayer is resident.

1.2 Shares held by taxpayer

Provide here the details of the shares held by you in any other entity. Provide the name of the entity in which you hold shares, residence of the entity, percentage of shareholding in the entity and effective tax rate in the other entity's resident jurisdiction.

1.3 Branches in operation (including Maldivian branches) if you are a non-resident

This section applies to you if you are a non-resident and have branch operations (permanent establishments) in the Maldives or any other jurisdictions. Provide the name of the branch operation, country/location of the branch operation, percentage of shareholding and corporate tax rate of the country in which branch operations are undertaken.

PART 2 – ULTIMATE HOLDING COMPANY

This section applies only if you are a body corporate.

2.1 Is the taxpayer the ultimate holding company of its group as at end of the financial period?

Ultimate holding company is the body corporate that by having a majority shareholding or otherwise has control of another body corporate, which is not a subsidiary of another body corporate.

Indicate whether or not you are the ultimate holding company in a group of body corporate. If you have ticked "Yes", leave Item 2.2 blank and proceed to Item 2.3.

2.2 Details of the ultimate holding company or person

If you are not the ultimate holding company of the group, but one of the entities of a group, provide the details of the ultimate holding company of the group. State the name of the ultimate holding company, its jurisdiction of residence and whether the ultimate holding company is listed in a stock exchange.

2.3 Details of the beneficial owner

Enter here the details of the beneficial owner of the ultimate holding company.

Beneficial owner of the ultimate holding company means a natural person who exercises 'ultimate effective control' of the ultimate holding company.

PART 3 – TRANSACTIONS WITH ASSOCIATES

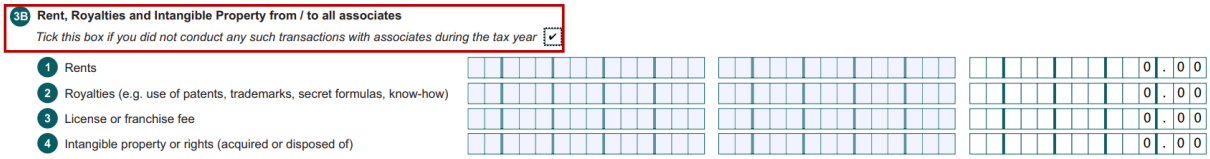
In this part, you are required to report transactions or dealings with all of your associates. For each specific category or sub-category of transaction, you are required aggregate the income you received (Column 1) or payments made (Column 2) for such a transaction between all of your associates. In the column 3, you will net (i.e. Income / Receipt – Expenses

/ Payment) the income you received and payments you made for the specific transaction. The main categories of transactions include:

3A – Sale of goods to / purchase from all associates

3B – Rent, Royalties and Intangible property from / to all associates

Tick this box if you did not conduct any such transaction with associates during the tax year



3C – Services rendered to / received from all associates

3D – Financial transaction

3E – Other transactions with associates which do not fall under Boxes 3A to 3D

In Box 3F, write the aggregate of Boxes 3A to 3E.

PART 4 – INFORMATION ON TRANSACTIONS WITH ASSOCIATES

4.1 Sale of goods and provision of services to top 5 (based on total value) associates outside Maldives

In Item 4 you are required to provide details of the top 5 associates outside the Maldives that you have transacted with, by value of sale of goods and provision of services. The following details must be provided:

1. Name of the associate
   Enter the name of the associate.

2. Nature of goods / service
   The broad category or categories goods or service supplied to the associate.

3. Location / country
   Enter the name of the country where the foreign associate operates.

4. Tax rate
   Effective tax rate of the associate in the country where the associate operates.

5. Relationship type
   Enter the relationship that you have with the foreign associate (i.e. parent entity, subsidiary, members of the same group etc.)

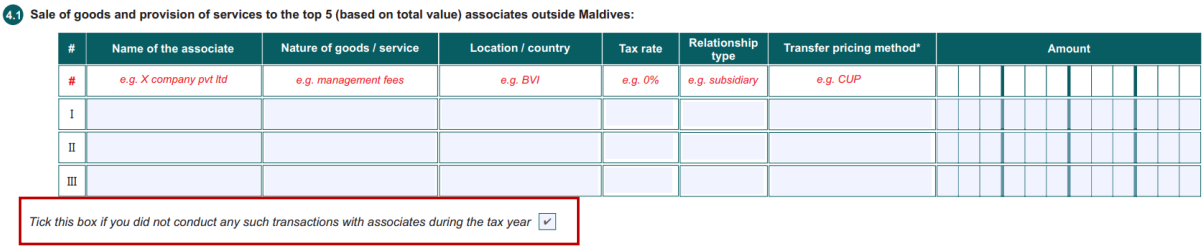
6. Transfer pricing method

   Write the method adopted to determine the arm's length price of the transaction.

7. Amount

   Enter the total value of the transaction with associate.

Tick this box if you did not conduct any such transaction with associates during the tax year



4.1 Sale of goods and provision of services to the top 5 (based on total value) associates outside Maldives:

#	Name of the associate	Nature of goods / service	Location / country	Tax rate	Relationship type	Transfer pricing method*	Amount
#	e.g. X company pvt ltd	e.g. management fees	e.g. BVI	e.g. 0%	e.g. subsidiary	e.g. CUP	
I							
II							
III							

Tick this box if you did not conduct any such transactions with associates during the tax year ☑

4.2 Purchase of goods and provision of services of the top 5 (based on total value) associates outside Maldives

In Item 4.2, provide details of the top 5 associates outside Maldives that you have transacted with, by value of purchase of goods and provision of services, in that order. The following details must be provided:

1. Name of the associate

   Enter the name of the associate.

2. Nature of goods / service

   Enter the broad category or categories goods and service purchased from the specific associate.

3. Location / country

   Enter the name of the country where the foreign associate operates.

4. Tax rate

   Effective tax rate of the associate in the country where the associate operates.

5. Relationship type

   Enter the relationship that you have with the foreign associate (i.e. parent entity, subsidiary, members of the same group etc.).

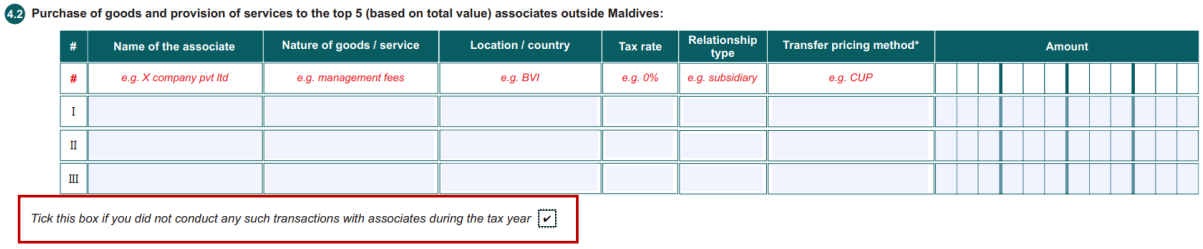
6. Transfer pricing method

   Write name of the method adopted to determine the arm's length price of the transaction.

7. Amount

   Enter the total value of the transaction with associate.

Tick this box if you did not conduct any such transaction with associates during the tax year



4.2 Purchase of goods and provision of services to the top 5 (based on total value) associates outside Maldives:

#	Name of the associate	Nature of goods / service	Location / country	Tax rate	Relationship type	Transfer pricing method*	Amount
#	e.g. X company pvt ltd	e.g. management fees	e.g. BVI	e.g. 0%	e.g. subsidiary	e.g. CUP	
I							
II							
III							

Tick this box if you did not conduct any such transactions with associates during the tax year ☑

4.3 Information of lending / borrowings with associates

This part is to be filled ONLY if you have loan transaction including borrowing from and lending to any associate outside Maldives.

In each column, provide the details of aggregate borrowings from [Item 4.3 (a)] and lending to [Item 4.3 (b)] each associate. Details include the name of the associate, resident country / location of the associate, total loan value, effective year (i.e. loan commencement date as in the agreement or arrangement), purpose of the loan, interest rate of the loan, interest charged for the tax year and closing and opening balances of the loan.

4.3(c) Transfer pricing documentation exemption on loans (if any)

You are exempt from transfer pricing documentation requirement altogether under the Section 68 of the ITA, if you meet the requirement in one of the requirements specified in the Section 68(a) of ITA.

Even if you are not exempt as an entity from preparation of transfer pricing documentation, there are specific exemptions stipulated in the TPR which applies to certain transactions or arrangements.

You are exempt from preparing transfer pricing documentation in respect of a loan transaction notwithstanding any other provision in the TPR if:

1. The loan transaction is with an associate where the associate and you are incorporated or registered in the Maldives or carries on business in the Maldives, and the lender is not in the business of borrowing and lending money in the Maldives [Section 7(d) of TPR] or;
2. The value of the loan does not exceed MVR 15 million and associate and you agree to apply the "indicative margin" for the year in which the loan was obtained or provided [Section 7(e) of TPR].

If any of the above applies to a loan transaction of yours with any of the associate, provide in Item 4.3 (c), the name of the associate, value of the loan and the legal reference of the exemption. Any two of the above reference from the TPR must be provided.

4.4 Were you a party to a cost contribution arrangement for developing, producing or obtaining assets or rights with an international associate?

Indicate whether you were in a cost contribution arrangement for developing, producing or obtaining assets or rights with an international associate.

4.5 Did a restructuring event(s) occur in the current year involving international associates or your branch operations?

Indicate here if there were restructuring events during the year. Include here only significant restructures undertaken between you and your international associates and foreign branch operations. You may use additional sheets if necessary.

The meaning of restructuring here goes beyond the generally accepted financial definition. Restructuring events here mean arrangements whereby assets, functions or risks of a business are transferred between you and international associates, or your branch operations. This may include:

- reorganization of your structure resulting in the disposal or acquisition of entities or the change in ownership of entities
- establishing, expanding, downsizing, liquidating or relocating business operations or business lines, resulting in:
    - the acquisition or the disposal of assets or liabilities (tangible or intangible); or
    - the transfer of functions or the significant modification of service arrangements between yourself and international associates (for example, this may include transfer of agency, distribution, finance, information technology, insurance, logistics, marketing, sales, shared services, shipping, trading, transport and treasury functions); or
    - the transfer of risks between yourself and international associates; or
    - the increase or decrease of rights or obligations
- where there has been a change in the nature of the business carried on through your branch operations, for example, you have commenced or ceased to use your property in your branch operations or you have commenced or ceased to perform functions or services through your branch operations

Entity/Branch: Write the name of the associate or branch

Capital Value: Write the value for each restructure, even if there is no payment of consideration in respect of some transactions forming part of the restructure. You are not required to obtain a formal valuation. You can make a reasonable determination of the value.

Foreign Country: Write the name of the jurisdiction where principal international associate to the relevant restructure was located, or foreign jurisdiction relevant to your branch operations.

Description: Write here a brief description of the main elements of the restructure. *For example: "ceased Mauritius branch operations, dealing in derivative contracts continued with other world-wide associates"*

SCHEDULE FIVE

REPORTING OF SHARE OF TAXABLE INCOME FROM CONTROLLED FOREIGN ENTITIES

Controlled Foreign Entities (CFEs) are entities (i.e. including companies, partnerships and other legal entities) that are not residents of the Maldives but are controlled by 5 or fewer residents of the Maldives.

Residents of the Maldives who holds 10% or more in the share in the capital of the CFE are required to fill this schedule. If you hold more than 10% in the share capital of more than one CFE, you are required to submit this schedule for each of the CFEs separately.

- TIN (Taxpayer Identification Number): In this box, enter the TIN as shown on the Notification of Income Tax Registration issued to you.
- Accounting Period: This is the start date and end date of the accounting period covered by your return.

Computation of share of taxable income from CFEs

1. Name of the Controlled Foreign Entity (CFE)

Provide the name of the CFE.

2. Number of residents of Maldives who control the CFE

Enter the number of residents of the Maldives who control the CFE including you. This amount must be less than or equal to five.

3. Your interest in the CFE

i. Where the foreign entity is a company, partnership or other legal entity, the greater of the average of share capital of the person who is a resident in the Maldives throughout the accounting period and the average of the voting rights of the person who is a resident of the Maldives, calculated on a daily basis;

ii. Where the foreign entity is neither a company, nor a partnership, nor another legal entity, the average of the interest of the person who is resident of the Maldives, in the capital of the entity throughout the accounting period, calculated on a daily basis;

iii. Where the foreign entity is a fixed trust, the average of the interest of the beneficiary of the trust during the accounting period, who is a resident of the Maldives, and where the foreign entity is a discretionary trust, the average of the interest of the settlor of the trust throughout the accounting period, who is a resident of the Maldives.

4. Total interest of all the shareholders/partners in the CFE

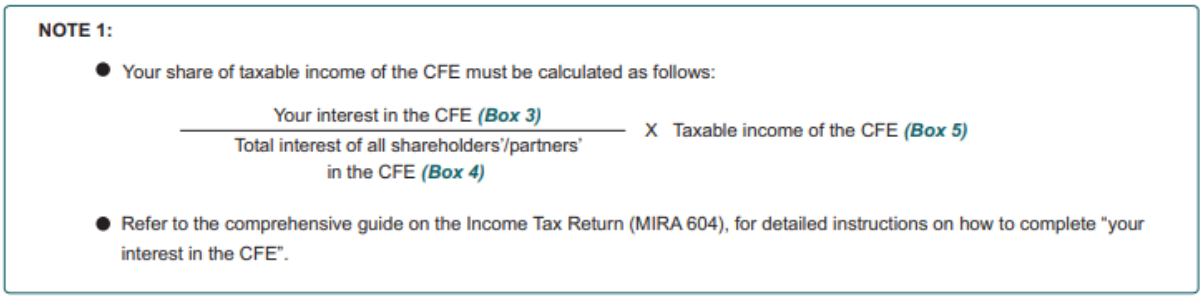
It is 100%.

5. Total taxable income of the CFE

Enter total taxable income of the CFE here, calculated in accordance with the ITA and ITR (i.e. using Maldivian domestic tax rules).

6. Your share of the taxable income of the CFE

Enter the amount of your share of the taxable income of the CFE after calculating using the formula given in the Note 1 of the schedule. The formula is duplicated here.



NOTE 1:

- Your share of taxable income of the CFE must be calculated as follows:

$$\frac{\text{Your interest in the CFE } \textit{(Box 3)}}{\text{Total interest of all shareholders'/partners' in the CFE } \textit{(Box 4)}} \times \text{Taxable income of the CFE } \textit{(Box 5)}$$

- Refer to the comprehensive guide on the Income Tax Return (MIRA 604), for detailed instructions on how to complete "your interest in the CFE".

The amount you enter here must be transferred to Box 185 of the return. If you have interest in more than 1 (one) CFE, aggregate the amount in Item 6 in each of the schedules you submit and enter that amount Box 185 of the income tax return (i.e. MIRA 604).

SCHEDULE SIX

REPORTING OF OFFSHORE TRANSFERS

This schedule must be completed by a non-resident seller who has entered into a transaction specified in section 11(n)(1) to section 11(n)(4) of the Income Tax Act, or a transaction that falls within section 11(o) of the Income Tax Act, involving the disposal of an asset.

If you have conducted more than one such transaction during the accounting period, you must complete and submit a separate Schedule 6 for each transaction.

TIN (Taxpayer Identification Number): Enter your TIN as shown on the Notification of Income Tax Registration issued to you.

1. Country of tax residency

Enter the country in which you are considered a tax resident.

2. Did you derive any income from the Maldives during the period other than that from the disposal of an asset as under s.50-1 of the Income Tax Act?

➡
- Tick Yes if you did derive any income from the Maldives during the period other than that from the disposal of an asset as under s.50-1 of the Income Tax Act
- Tick No if you did not derive any income from the Maldives during the period other than that from the disposal of an asset as under s.50-1 of the Income Tax Act

DETAILS OF THE BUYER (WITHOUT WITHHOLDING AGENT)

3. TIN: Enter the Taxpayer Identification Number (TIN) of the buyer, if the buyer is registered with MIRA.

4. Name: Enter the full name of the buyer.

5. Email: Enter the email address of the buyer.

6. Contact Number: Enter the contact telephone number of the buyer, including the country code where applicable.

DETAILS OF THE TRANSACTION

7. Date of disposal: Enter the date of disposal of the asset in DD/MM/YYYY format.

8. Nature of asset disposed

Tick the box that best describes the asset being disposed of. Select only the category that applies to the transaction being reported in this schedule. If the asset falls within one of the categories relating to shares, partnership interests, trust interests, intellectual property, intangible property, options, or rights, ensure that you select the most appropriate category based on the nature of the asset being transferred.

The applicable categories are:

8.1 Immovable property situated in the Maldives
8.2 Shares in a company where more than 50% of the company's value is directly or indirectly related to immovable property situated in the Maldives
8.3 Comparable interest in a partnership where more than 50% of the partnership's value is directly or indirectly related to immovable property situated in the Maldives
8.4 Comparable interest in a trust where more than 50% of the trust's value is directly or indirectly related to immovable property situated in the Maldives
8.5 Shares in a Maldives resident company
8.6 Comparable interest in a Maldives resident partnership
8.7 Comparable interest in a Maldives resident trust
8.8 Options related to a property specified in section 11(n)(1), 11(n)(2) or 11(n)(3) of the Income Tax Act
8.9 Rights to buy a property specified in section 11(n)(1), 11(n)(2) or 11(n)(3) of the Income Tax Act
8.10 Intellectual property used in the Maldives
8.11 Intellectual property registered in the Maldives
8.12 Intangible property used in the Maldives
8.13 Intangible property registered in the Maldives
8.14 Intellectual property sold or transferred under an agreement made in the Maldives
8.15 Intangible property sold or transferred under an agreement made in the Maldives

9. State the number of shares sold/transferred

This section is only applicable if you ticked Box 8.2 or Box 8.5 under "Nature of asset disposed". Enter the total number of shares sold or transferred as part of the transaction.

- Direct transfer of shares: Tick here if the shares in the relevant entity were transferred directly by the seller to the buyer.
- Indirect transfer of shares: Tick here if the disposal involved the transfer of shares through another entity or arrangement, resulting in an indirect transfer.

10. State the interest amount sold / transferred

This section is only applicable if you ticked Box 8.3, 8.4, 8.6 or 8.7 under "Nature of asset disposed". Enter the percentage or amount of partnership interest, trust interest, or other comparable interest sold or transferred as part of the transaction.

- Direct transfer of interest: Tick here if the interest was transferred directly by the seller to the buyer.
- Indirect transfer of interest: Tick here if the disposal involved the transfer of an interest through another entity or arrangement, resulting in an indirect transfer.

11. State the number of options sold / transferred

This section is only applicable if you ticked Box 8.8 under "Nature of asset disposed". Enter the total number of options sold or transferred as part of the transaction.

12. Type and description of intellectual property

This section is only applicable if you ticked Box 8.10, 8.11 or 8.14 under "Nature of asset disposed".

- Type and description of intellectual property: Provide the type of intellectual property disposed of and a brief description of the intellectual property.
- How is the intellectual property used?: Describe how the intellectual property is used, exploited, or commercialised.
- Where is the intellectual property used?: State the country or countries where the intellectual property is used.

13. Type and description of intangible property

This section is only applicable if you ticked Box 8.12, 8.13 or 8.15 under "Nature of asset disposed".

- Type and description of intangible property: Provide the type of intangible property disposed of and a brief description of the property.
- How is the intangible property used?: Describe how the intangible property is used in a business or other income-generating activity.
- Where is the intangible property used?: State the country or countries where the intangible property is used.

14. Details of the Beneficial Owner of the entity to which the shares or an interest relate, where shares or an interest are being disposed of and more than 50% of the value of that entity is derived from immovable property situated in the Maldives

This section is only applicable where the disposal relates to shares or an interest in an entity and more than 50% of the value of that entity is derived, directly or indirectly, from immovable property situated in the Maldives.

Provide details of each beneficial owner of the entity. For the purpose of this section, a beneficial owner is a natural person who:

- Directly or indirectly holds an ownership interest of 25% or more in the entity; or
- Exercises control over the entity through voting rights, management rights, contractual arrangements, or any other means.

For each beneficial owner, provide the following information:

- Name: Enter the full name of the beneficial owner.
- National ID Card Number / Passport Number: Enter the national identity card number or passport number of the beneficial owner.
- Date of Birth: Enter the beneficial owner's date of birth in DD/MM/YYYY format.
- Nationality: Enter the nationality of the beneficial owner.
- Nature of Ownership Interest: Select whether the ownership interest is Direct or Indirect from the dropdown.
- Nature of Controlling Interest: Select the applicable option from the dropdown to indicate how the beneficial owner exercises control over the entity. The options include:
    - Differential voting rights;
    - Power to appoint the majority of senior management;
    - Control through debt instruments;
    - Control through positions held;
    - Control through informal means; or
    - Other

15. Details of the Beneficial Owner of the entity, where shares or an interest are being disposed of, and the value of the entity to which the shares or interest relate is not derived from immovable property situated in the Maldives, or where such derived value is 50% or less.

This section is only applicable where the disposal relates to shares or an interest in an entity deriving 50% or less of its value, directly or indirectly, from immovable property situated in the Maldives.

Provide details of each beneficial owner of the entity. For the purpose of this section, a beneficial owner is a natural person who:

- Directly or indirectly holds an ownership interest of 25% or more in the entity; or
- Exercises control over the entity through voting rights, management rights, contractual arrangements, or any other means.

For each beneficial owner, provide the following information:

- Name: Enter the full name of the beneficial owner.
- National ID Card Number / Passport Number: Enter the national identity card number or passport number of the beneficial owner.
- Date of Birth: Enter the beneficial owner's date of birth in DD/MM/YYYY format.
- Nationality: Enter the nationality of the beneficial owner.
- Nature of Ownership Interest: Select whether the ownership interest is Direct or Indirect from the dropdown.
- Nature of Controlling Interest: Select the applicable option from the dropdown to indicate how the beneficial owner exercises control over the entity. The options include:
    - Differential voting rights;
    - Power to appoint the majority of senior management;
    - Control through debt instruments;
    - Control through positions held;
    - Control through informal means; or
    - Other

VALUE OF THE TRANSACTION

16. Cost base of the asset

Enter the cost base of the asset disposed of. The cost base is generally the amount incurred to acquire, create, or otherwise obtain the asset, together with any amounts that are permitted to be included in the cost base under the Income Tax Act and Income Tax Regulation. The cost base must be determined in accordance with Section 30(c) of the ITA and Section 93 of the ITR. Enter the amount in either Maldivian Rufiyaa (MVR) or United States Dollar (USD), as applicable, and round the amount to 2 decimal places.

17. Consideration of the disposal of asset

Enter the total consideration received or receivable for the disposal of the asset. Enter the amount in either Maldivian Rufiyaa (MVR) or United States Dollar (USD), as applicable, and round the amount to 2 decimal places.

MALDIVES
INLAND REVENUE
AUTHORITY

MIRA

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