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INLAND REVENUE
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MIRA POST



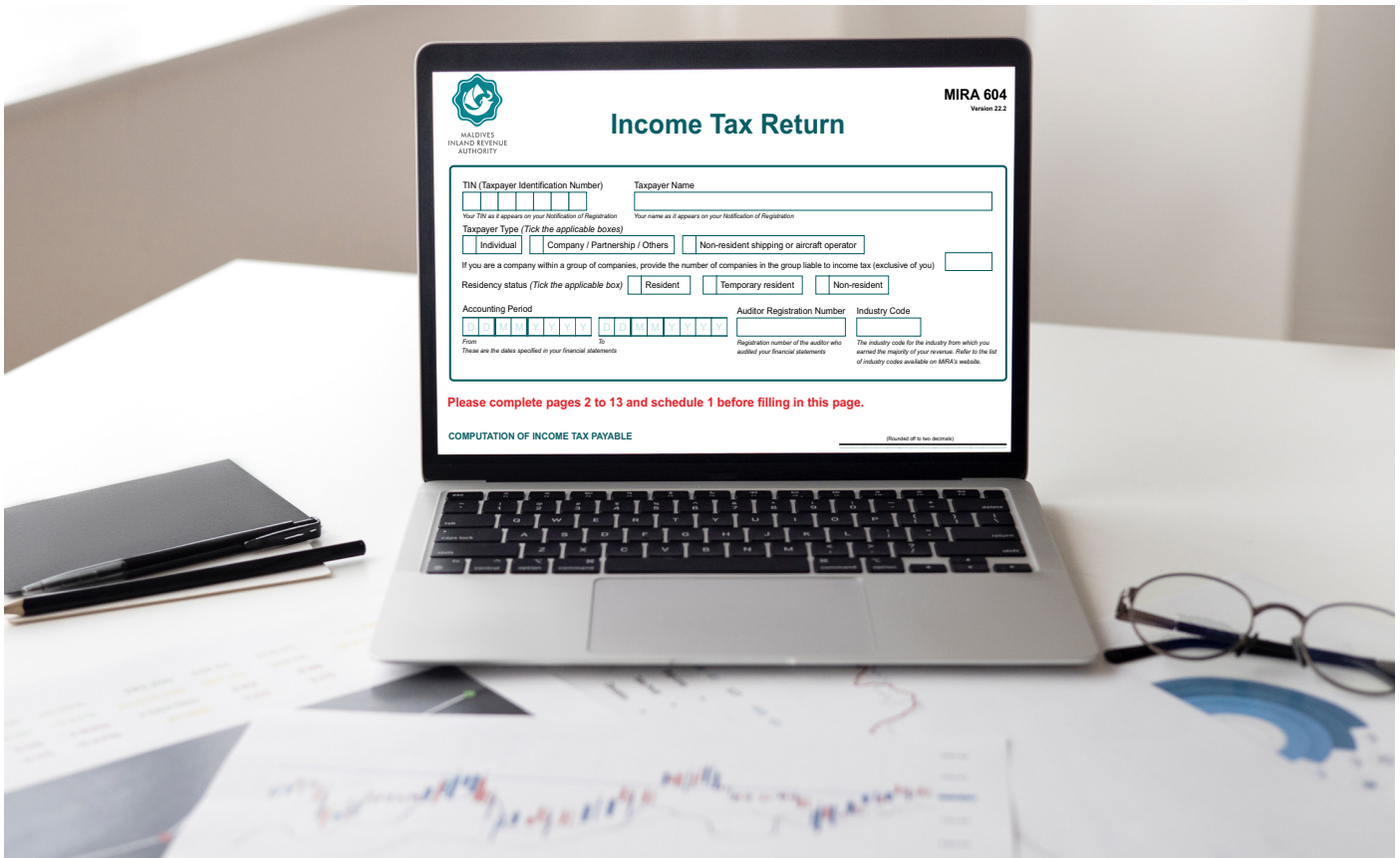
**INCOME TAX RETURN FILING AND PAYMENT
DEADLINE FOR 2021 IS 30 JUNE 2022**



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Income tax return filing and payment deadline for tax year 2021 is 30 June 2022

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Income tax return filing and payment deadline for the tax year 2021 is 30 June 2022.

Individuals are not required to file their income tax returns for the tax year 2021, if their total income for the tax year 2020 and 2021 does not exceed MVR 2 million and if their taxable income for the tax year 2020 and 2021 does not exceed MVR 720,000. Companies, partnerships and deemed partnerships are not required to file their income tax returns for the tax year 2021, if their total income for the tax year 2020 and 2021 does not exceed MVR 2 million and if their taxable income for the tax year 2020 and 2021 does not exceed MVR 500,000. However, if any of the above-mentioned conditions are met, such persons are required to file income tax return for the tax year 2021. Unlike other tax returns, income tax return is comprehensive and requires additional documents supporting the assessment and preparation needs to be

started early. Businesses are required to prepare financial statements and have to be submitted together with the return. It is important to determine the statements relevant to your business or whether the statements need to be audited by a licensed auditor. Hence, the preparation must be started ahead of the deadline as it takes time to prepare and audit the financial statements.

Another aspect that taxpayers should be mindful of is the submission of the income tax return online via MIRAconnect. Taxpayers are required to file income tax returns online if the taxpayer's annual turnover is equal to or more than MVR 10 million for the tax year 2021. Moreover, if your annual turnover for the tax year 2021 is more than MVR 20 million, then all payments pertaining to income tax return must be made online via MIRAconnect or Maldives Real Time Gross Settlement (MRTGS) form.

Income Tax and Pension

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Do you have to pay tax from pension?

Section 3 of the Income Tax Act specifies the types of income that are taxable. This includes annuities, pensions and retirement benefits. However, some types of income are exempt from income tax for the purpose of the income tax. Section 12 of the Income Tax Act exempts certain types of income from tax.

Income Tax Act states that the annuities, pensions and retirement benefits received under Maldives Pension Act (Law number 8/2009) are exempt from income tax. Hence, you are not required to include annuities, pensions and retirement benefits while calculating your taxable income.

Annuities, pensions and retirement benefits received under any other scheme or fund (i.e. foreign funds or private funds) is taxable and must be included while calculating the taxable income.

Is pension deductible when calculating Employee Withholding Tax (EWT)?

Employee Withholding Tax (EWT) is deductible from the remuneration given to employees under the Income Tax Act. You must deduct the employee's pension contribution before withholding the tax from the employee's remuneration. Pension contributions made by the employer are not included when calculating the employee's taxable or total remuneration. Though the remuneration is not subject to EWT, such employees should deduct their pension contribution when calculating their remuneration at the time of filing the annual return.

Can taxpayers deduct their pension expense?

Even if a pension is not a direct cost associated with earning business income, it may, nevertheless, be deducted as an expense for calculating the taxable income only if certain requirements are met. Taxpayers can only deduct pension contributed under the Maldives Retirement Pension Scheme (MRPS) established in pursuant to Maldives Pension Act. Pension contribution made to any scheme other than to MRPS is not deductible when calculating taxable income.

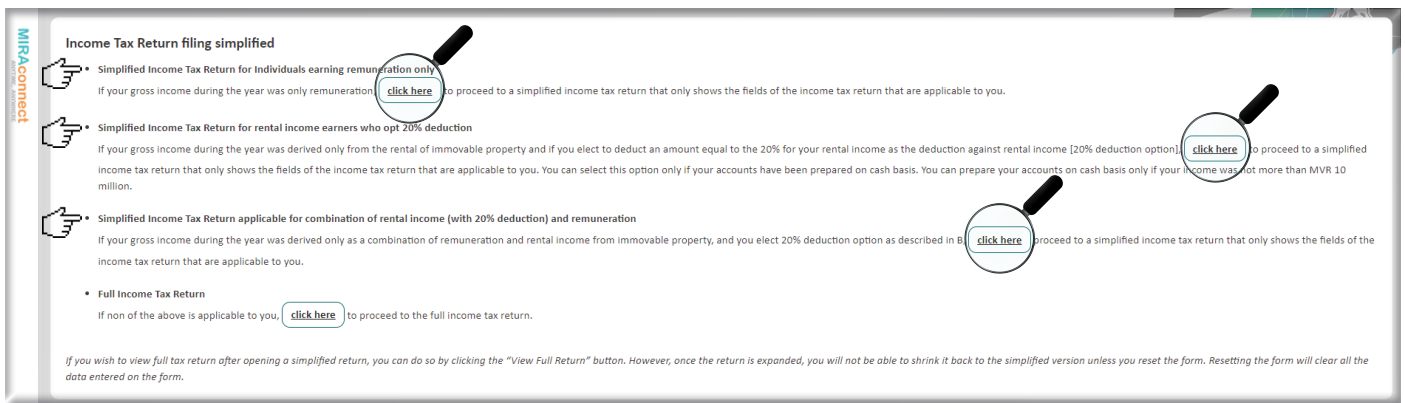
Simplified Income Tax return

Mariyam Waheed
Senior Tax Officer, Tax Academy

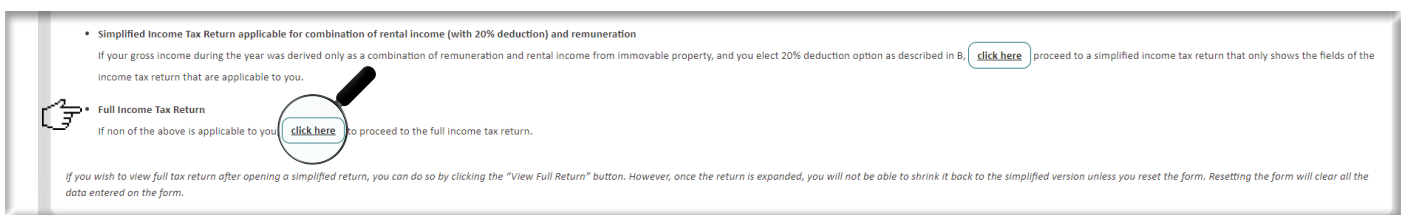
Taxpayers who are required file income tax return and who receive only remuneration, or rent from an immovable property situated in Maldives and chose the option of deducting 20% of the rent as expense, or person receiving a combination of above mentioned incomes can submit a “simplified income tax return” via MIRAconnect.

To submit simplified income tax return, login to MIRAconnect, from the pending task choose the “filing” for income tax return you want to submit and will see the below screen.

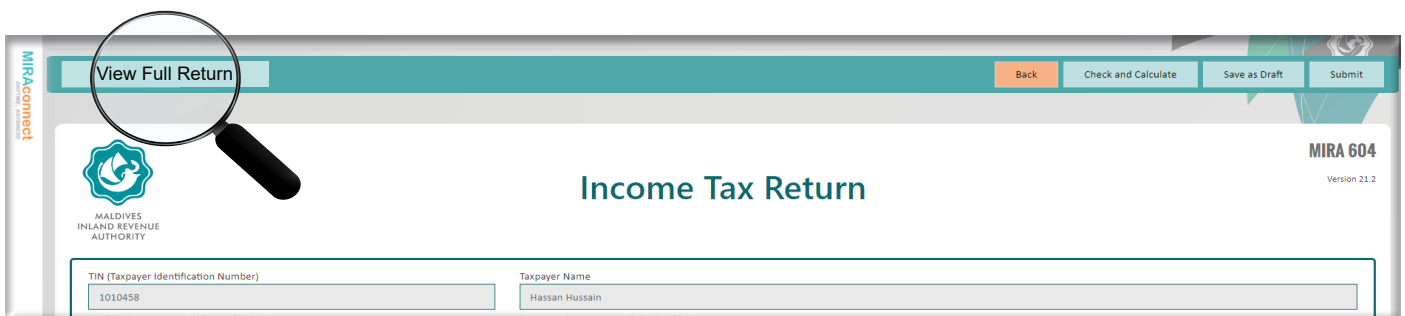
If the taxpayer is not an individual, when you chose “filing” the options related to persons receiving only remuneration as income will not be included.



When you chose an option from the simplified income tax return options, instead of the full income tax return, you will only see the part of the income tax return that is relevant to your chosen option. If you do not qualify for the simplified income tax return, for example you receive business income or both business income and remuneration, you should choose the “full income tax return” option.



After choosing simplified income tax return, if you prefer to view the full income tax return, you can click the “view full return” button above the screen.



You can get an income return filing guide prepared especially for the persons receiving remuneration or rental income from MIRA website.



15th Anniversary
15th Anniversary

30 Days to go



15th Anniversary
15th Anniversary

15th Anniversary
15th Anniversary

MIRAconnect
ANYTIME, ANYWHERE

