



MALDIVES  
INLAND REVENUE  
AUTHORITY

# MIRA POST

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## Reminder for payment of Company Annual Fee



### Important Deadlines

**March** Submission of GST and Green tax return and payment for February 2016

**28**

**March** Duty free shops financial statement submission for 2015

**31**

**March** Tourism land rent deadline for 2nd Quarter of 2016

**31**

**March** Company annual fee deadline for 2016

**31**

**April** Trade fee for April 2016 and Duty free royalty statement and sales report submission for March 2016

**10**

**April** Withholding Tax deadline March 2016 and Duty free shops royalty payment for March 2016

**15**

\* If the deadline falls on a public holiday, then the last submission deadline would be the next working day

# Reminder for payment of Company Annual Fee by 31 March

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## Ali Naseer Ibrahim, Senior Manager, Tax Clearance

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All companies registered in Maldives under the Companies Act (Law number 10/96) are liable to pay company annual fee for the current year before 31st March 2016. Private companies are required to pay MVR 2,000 as the annual fee. After the deadline, annual fee would be collected with a fine of MVR 1,000 if paid within the month of April or MVR 2,500 if paid after the month of April.

All companies, whether active or inactive, are required to make the annual fee payment as no exemption is allowed for

companies which do not carry out any business activities. However, a company would not be required to pay the annual fee for the year if all the paperwork for company liquidation is submitted to and approved by the Registrar of Companies before the 31st of March.

MIRA would be taking enforcement actions such as suspension of government services to recover the annual fee from companies which fail to meet the stated payment deadline. In addition, non-payers would also face difficulties in liquidating the company and pending annual fee payments would also result in the fines being much higher than the actual fee payment.

## The first course offered by Maldives Tax Academy continues

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### Hussain Faisal, Senior Officer, Tax Training

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Maldives Tax Academy (MTA) has started their 1st batch of "Certificate I in Taxation in Maldives" course on 21 February 2016. All the qualified applicants who applied for MIRA licensed tax agents have to complete this program.

In this program, information about the taxation policy in Maldives will be thoroughly explained to the participants. To be specific, information about tax laws, regulations and rulings will be provided. Furthermore, the participants will be trained to fill the tax returns and extensive information about Business Profit Tax (BPT) and Goods and Services Tax (GST) will

be provided during the sessions. In addition to the tax agent applicants, staffs from Auditor General Office,

Tax Appeal Tribunal and High Court of the Maldives participated in this program.



# MATATO Tax forum in collaboration with MIRA



**Aishath Saana, Senior Officer, Tax Training**

MIRA, in collaboration with Maldives Association of Travel Agents and Tour Operators (MATATO), conducted a tax forum on 17 February 2016, aimed at businesses in travel industry. The purpose of the tax forum was to disseminate information on tourism related taxation, common issues faced when filing tax returns, process of tax auditing and bookkeeping for taxation purposes.

A total of 14 participants attended the tax forum. The sessions of the tax forum, which was open for all travel industry businesses, were presented by the auditors of MIRA. MIRA and representatives from other industries plan to hold similar tax forums in the future as well.

## Deadline for auditors to renew registration: 31 March

**Yoosuf Shiraz, Principal Officer, Tax Training**

Registration of all MIRA approved Auditors will expire on 31 March 2016. They are required to submit a completed "Auditor Registration" (MIRA 109) form to MIRA prior to the date of expiry of the registration if they wish to renew the registration. If the

renewal application is not submitted to MIRA within one month of expiry of the registration, the person must submit a new application together with all the supporting documents.

MIRA approved auditors are required to submit the practicing certificate issued by Auditor General's Office by 31 May 2016. Failure to submit the practicing certificate to MIRA by the deadline shall result in the

revocation of the auditor's registration.

Moreover, auditors registered with MIRA are required to submit auditor annual report for the year 2015 by 28th February 2016. This report must contain details of the work done by the auditor during the year. Where an auditor fails to submit the report by 31 March 2016, MIRA have the discretion to not renew his registration.



The contact number of MIRA approved Auditors can be found on our website [www.mira.gov.mv](http://www.mira.gov.mv)

# Opening of MIRA Addu and Fonadhoo Branch & Fuvamulah Collection Center



## Aishath Suha, Manager, Payment Processing

An official ceremony was held on February 13, 2016 to open MIRA Addu Branch and Gn. Fuvamulah Collection Center. Service has been provided from Addu Branch since February 24, 2015 and from Fuvamulah Collection Center since July 28, 2015. Fonadhoo Branch was declared open on 3 March 2016.

These three outlets were opened

by the Commissioner General of Taxation and Minister of Finance & Treasury with Addu City Mayor, Fuvamulah Atoll Council President and Laamu Atoll Council President.

MIRA always works and further plans towards introducing and sustaining excellence in the service provided, and with the same intention, MIRA has worked towards spreading its reach beyond the geographical distance. With these outlets opened, it has been the appreciation of many taxpayers

in these atolls as these atoll offices provide all the services provided to taxpayers as from the MIRA main branch. Registration of their businesses with MIRA, filing tax returns and all tax and other fee payments paid to MIRA will be processed from these offices as well.

In the year 2016, MIRA will work towards opening new offices in other atolls and eliminate the geographical barriers taxpayer may face, and be at easy reach always.



# All vessels with the exception of fishing boats must renew registration by 31 March 2016

**Fathimath Rasha, Manager, Taxpayer Facilitation**

Vessel fee is levied pursuant to the Regulation on Registration of Local Vessels (Regulation Number 2016/R-6) on every vessel that is registered at the Transport Authority. This yearly fee is based on the length of the vessel and the classification to which it belongs. Classifications of vessels and their annual fees have changed effective 31 January 2016 pursuant to the Regulation on Registration of Local Vessels. You can view the classifications and new fee structure under vessel fee from our website.

All local vessels, except for vessels registered as fishing vessels or classified as dhoani, need to be registered under the new code. This includes non-engine vessels as well. As some of the fee codes have been changed under the new Regulation, vessel

owners need to renew their Vessel Registration before making the next annual fee payment and the first annual fee after re-registration is received to Transport Authority.

To register under the new code you are required to submit MR1 form, MR2 form, and receipt of payment of annual fee or cancel payment, original of registration, copy of vessel's safety certificate, ID card copy of the owner or company registration copy to Transport Authority before 31 March 2016.

Vessel fee payment will be collected for one year from the month of registration. This payment can also be paid to all Atoll Councils in addition to MIRA. Vessel fee must be paid before the end of the month of registration and if the vessel fee is not paid 6 months from the deadline, a fine of MVR 1,500 will be imposed. Such vessels can only provide services after paying the amount of fine and unpaid annual fees.



# Report suspected tax offences to MIRA

**Aas Abdulla, Director, Investigation and Intelligence**

Since the contribution made by taxation to the Government's revenue is on the rise, it becomes really essential that the correct amount of tax is received on time for the Government to provide services to the general public. Hence, if anyone is purposefully conducting activities with the intention of reducing or avoiding taxes, its negative impact will affect not only the Government but also the general public. This is where 'blowing the whistle' for the good of the nation becomes necessary.

As per the tax laws it is the duty of MIRA to ensure that the correct amount of tax is paid by the taxpayers. The same laws also prescribes it a criminal offence for anyone to purposefully conduct activities with

the intention of reducing or avoiding taxes. Since it is the general public who are closely dealing with the taxpayers on a daily basis, the general public would usually notice if the taxpayers are conducting any activities to manipulate their taxes. If such activities are noticed it is really important that it is communicated to MIRA.

The easiest way to inform or 'blow the whistle' on any tax related offences that you aware of is through the 'link' dedicated to report such matters in MIRA's website ([www.mira.gov.mv](http://www.mira.gov.mv)). You can also use MIRA's hotline (1415) to report such matters. Such matters can also be shared in writing or by visiting MIRA. MIRA will never disclose the information of individual's sharing such information unless required by law to do so.

When 'blowing the whistle' providing

as much details regarding the suspected offence will be very helpful in investigating the suspected offence further. As such, it is important to share any available documentation relating to the matter or provide details of any person who may be able to provide further details regarding the issue. Also you are advised to provide the possible period in which the suspected offence took place and details of the persons involved in it. MIRA looks into reports regarding tax offences very seriously and if required will take legal action at the earliest possible. However some of these offences require criminal investigation, therefore may take longer to complete.

MIRA recognizes and thank the general public for the cooperation it receives in fulfilling the duty bestowed upon on it by the law in ensuring that the correct amount of tax is received.



# Court cases

Defendant	Summary of Judgment	*Amount	Date of Judgment
Mobiletech Pvt Ltd	To pay the amount claimed by the MIRA in equal parts on a monthly basis within 3 months	MVR 67,212	2 February 2016
Ahmed Hussain	To pay the amount claimed by the MIRA in equal parts on a monthly basis within 5 months	MVR 500,610	4 February 2016
Ideal Business Solution Pvt Ltd/Private Limited	To pay the amount claimed by the MIRA in equal parts on a monthly basis within 3 months	MVR 448,013	10 February 2016
Mohamed Yasir	To pay the amount claimed by the MIRA in equal parts on a monthly basis within 12 months	MVR 835,125.40	16 February 2016
S.R.X Investment Pvt Ltd	To pay the amount claimed by the MIRA in equal parts on a monthly basis within 2 months	MVR 120,368	16 February 2016
Ahmed Shareef	To pay the amount claimed by the MIRA in equal parts on a monthly basis within 2 months	MVR 202,565	16 February 2016
Matsa Company Pvt Ltd	To pay the amount claimed by the MIRA within 45 days	MVR 52,321	21 February 2016
Secura Pvt Ltd	To pay the amount claimed by the MIRA in equal parts on a monthly basis within 2 months	MVR 186,430	22 February 2016
Jaufar Rasheed	To pay the amount claimed by the MIRA in equal parts on a monthly basis within 2 months	MVR 106,659	24 February 2016
Perfect Maldives Pvt Ltd	To pay the amount claimed by the MIRA within 1 month	MVR 86,308	29 February 2016
General Overseas Trading Company Pvt Ltd	To pay the amount claimed by the MIRA in equal parts on a monthly basis within 2 months	MVR 346,439	29 February 2016

\*Amount calculated upto judgment date



NEED ASSISTANCE WITH YOUR  
TAX OBLIGATIONS?  
APPOINT A TAX AGENT



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# Key matters that need attention in relation to GST Act and Regulation

**Mujaahid Mohamed, Manager, Micro Business Audit**

GST is the most popular and widely applicable tax in the Maldives. There is a number of important factors that all the registered parties for GST must consider. Especially now that these factors can cost registered parties up to MVR2,000/- in fine, if they aren't properly aware of them.

ensure the correct tax classification (tax rate) is assigned to each and every product or service in to the system. Further, it is imperative that all sales are made through the system.

If records are maintained manually, the details of supply must be recorded together with the tax amount charged. If the transaction is on credit basis, those details of the supply must be recorded as well.

## Display of GST Certificate

Upon registration for GST, MIRA will issue a certificate which is to be displayed in the registered activity. The purpose is to confirm the public that the particular business activity is registered for GST. The key matter here is for all registered activities to display the certificate and not to file or store it in a place where taxpayers can't see.



## Record Keeping

It is required to maintain proper records of GST collected from customers and GST paid to other registered parties. If such records are not accurately maintained, it will be very difficult to compute the exact tax payable of the registered party.

If an accounting software is used to record sales it is vital to

## Issuing Tax Invoice and Receipt

Tax Invoice is the invoice issued between two registered parties acknowledging the sale transaction. The reason is to facilitate input tax claims.

However, a receipt is a document used to acknowledge sale transactions between a registered party and non-registered parties (usually public).

It still happens that some registered businesses still can't raise a proper Tax Invoice or a receipt. It is noticed that staff

working in such activities lack the knowledge to accurately record transaction using accounting system and even manually.

There are also instances where a receipt is issued when the customer requested for a Tax Invoice. Therefore it is important to educate the staff on such matters.