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# MIRAPost

Maldives Inland Revenue Authority  
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**BPT DEADLINE FOR 2019:  
16 AUGUST 2020**

# BPT deadline for 2019:

# 16 August 2020

**Mariyam Waheed**  
Assistant Tax Officer / Tax Academy

The deadline to file the Business Profit Tax (BPT) return for the tax year 2019, under the BPT Act, is 16 August 2020. Previous deadline to submit BPT return was 30 June 2020. This deadline has been altered to facilitate taxpayers on fulfilling obligations due to complications emerged from COVID-19.

Companies, partnerships and other entities, with the exception of individuals and deemed partnerships, are required to submit their BPT returns. Individuals and deemed partnerships are required to file BPT returns for the year 2019 if their annual turnover exceeds MVR 1 million or taxable profit is more than MVR 500,000 for the tax year 2019. Additionally, those who were required to file BPT return for the tax year 2018 are also required to file BPT return for

the year 2019.

Unlike other tax returns, BPT Return is comprehensive and requires additional prerequisites, preparations need to be started early. Since the financial statements have to be submitted together with the return, determining its requirements and appointing an auditor if required to do so, was not done with ahead of time with extra attention, it will hinder the efforts to file return before the deadline.

2019 is the last tax year under the BPT act. With the ratification of Income Tax act, taxpayers are required to follow this Act from the tax year commencing on 1 January 2020.

## Submission of Financial Statements

	Only rental Income & elect 20% deduction	Cash Basis	Accrual Basis Less than 10 million turnover	Accrual Basis More than 10 million turnover
Statement of Profit or Loss and other comprehensive Income	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Statement of Financial Position	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Statement of Cash Flows	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Statement of Changes in Equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Notes to the Financial Statements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Directors Report (Companies only)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Auditor's Report	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

# Arrangements made to settle TGST in Rufiyaa

Ahmed Shaheen  
Principal Tax Officer / Tax Academy

Goods and service tax on tourism sector (TGST) collected from 1 April 2020 to 30 September 2020 can be paid to MIRA in Maldivian Rufiyaa.

This was decided by the Ministry of Finance through an announcement issued on 15 June 2020. This is to alleviate

difficulties faced by business activities operating in tourism sector due to COVID-19. However, this is only applicable to TGST paid after 15 June 2020 and only for the mentioned tax periods.

In addition to this change, MIRA has announced lenient arrangement to make tax payments including deferments of tax deadlines.

## Challenges to establish consensus on the taxation of digital economy

Hussain Amir  
Deputy Manager, Tax Academy

United States (US) and European countries have made heated exchanges over taxation of the digital economy, prompting US to call on the OECD to temporarily suspend negotiations between members of the Inclusive Framework (IF). According to Monica Crawley, the spokeswoman for US Treasury Department, the suggestion to 'pause' the OECD talks is to focus on recovery efforts of the economy due to the impact of Covid-19.

However, US has launched investigations on digital service taxes (DST) introduced by European and other countries. US Trade Representative Office is investigating DSTs introduced by Austria, India, Indonesia, Italy, Turkey and the UK. USTR has also commenced investigations into proposed digital service taxes of Brazil, Czech Republic, Spain and European Union. Earlier this year, US has sanctioned a 100% tariff on certain imports from France after

a USTR investigation of their DST found the tax 'discriminatory'. With the US's decision to impose tariff, France has deferred the DST payable in 2020 to 2021. US claims such investigations are warranted as DSTs unfairly targets large US tech companies.

The rising tension between countries prompted an announcement from the OECD's Secretary General Angel Gurría, stating that work designed to overcome the challenges of taxation in a digital economy would continue as scheduled. In addition, he emphasized on the importance participating in the discussion conducted by OECD's Inclusive Framework and coming up with a solution before the year-end. He further warned that in the absence of a multilateral solution, the proliferation of unilateral DSTs would be unavoidable, which would lead to more tax disputes and worsen the economic impact of Covid-19.

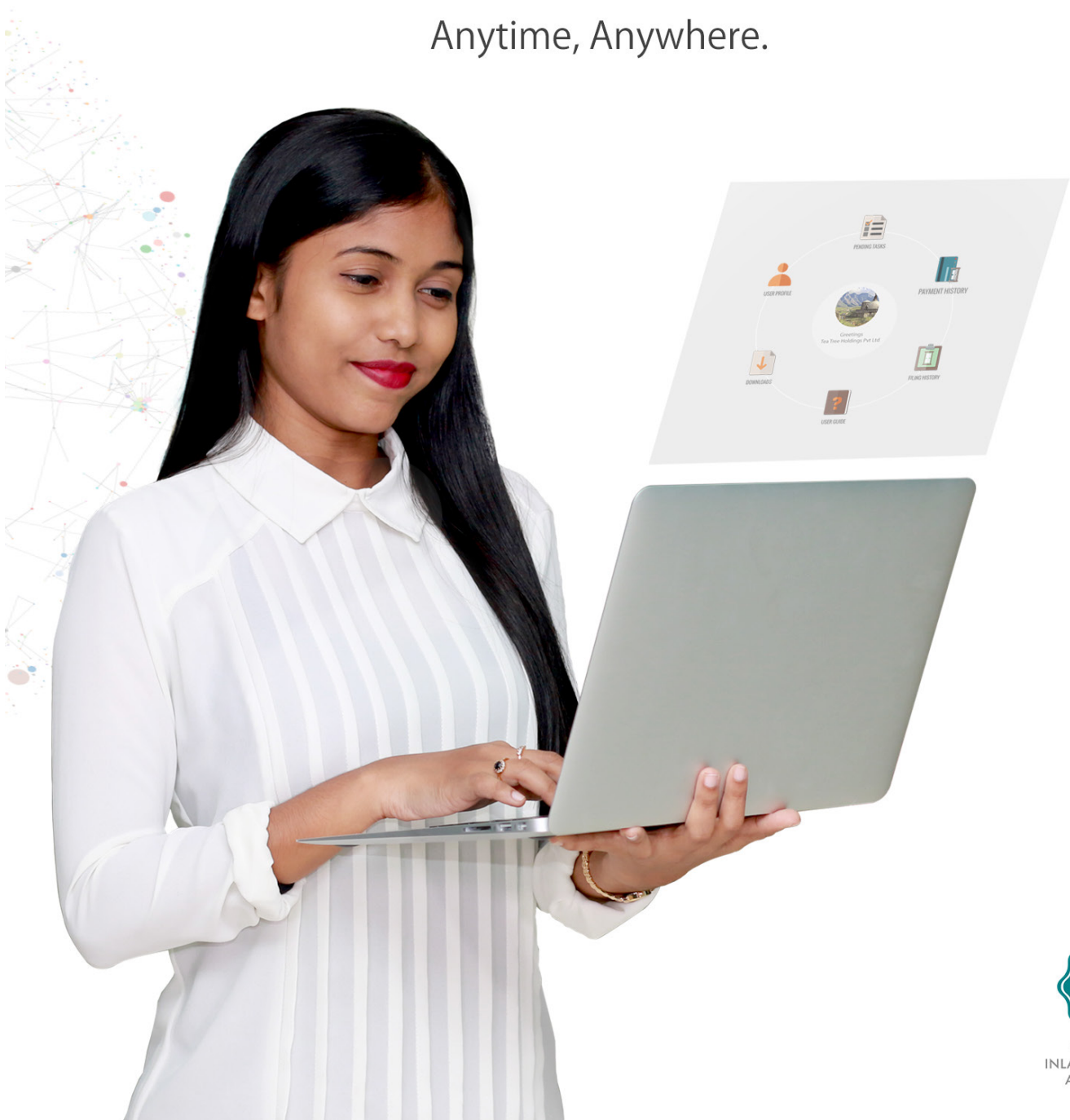
# MIRAconnect

ANYTIME, ANYWHERE

Experience the revamped "MIRAconnect" portal, a strategic initiative by MIRA aimed at enhancing the functionality and user-friendliness of our online services!

Wherever you are, file your tax returns and pay your taxes with a few clicks.

Anytime, Anywhere.



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