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INLAND REVENUE
AUTHORITY

MIRA POST



POLICY TO SETTLE DUES UNDER AN INSTALMENT AGREEMENT

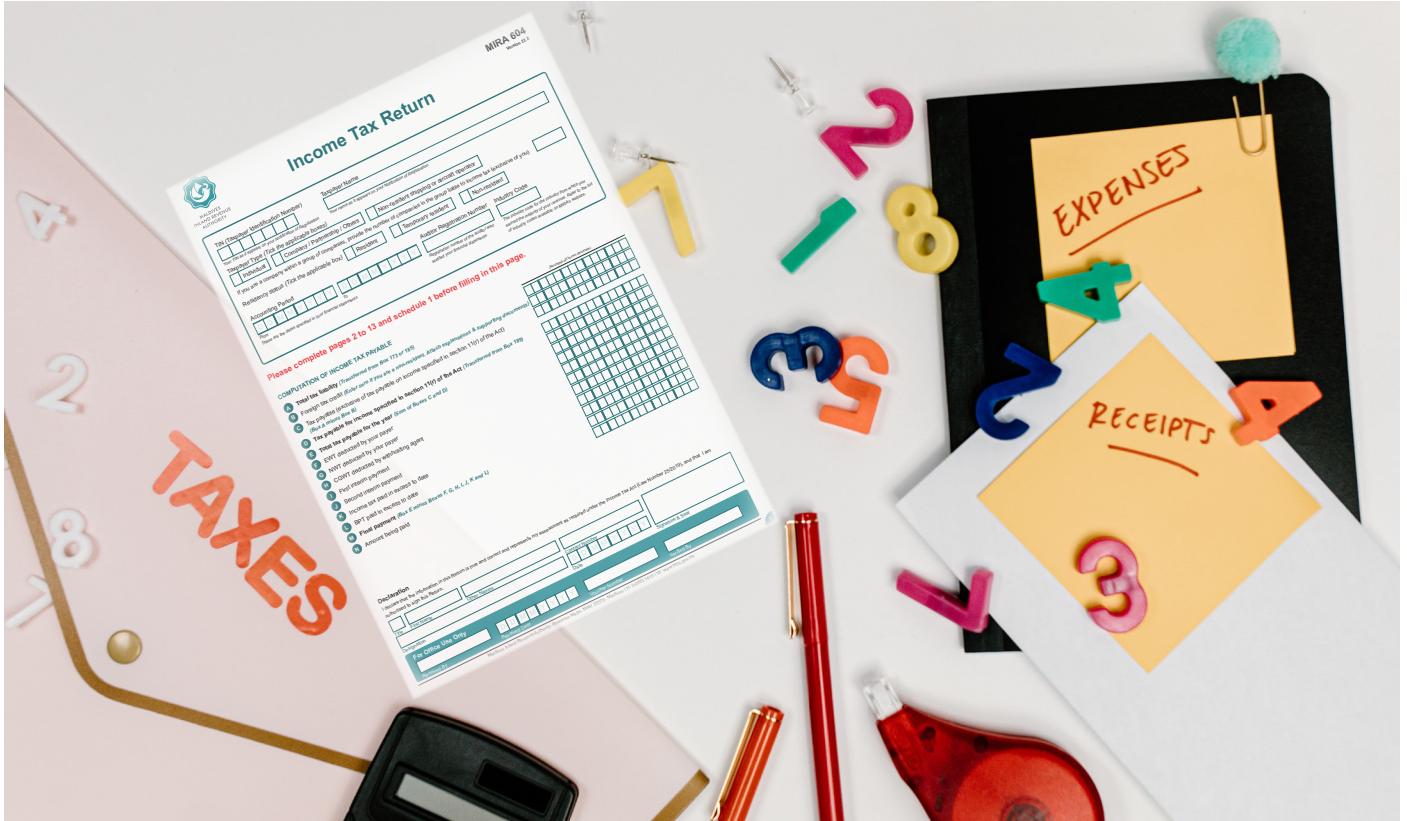


ESSENTIAL TIPS FOR FILING INCOME TAX RETURN

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Essential tips for filing income tax return

Mariyam Waheed
Senior Tax Officer, Tax Academy



The process of filing income tax return is relatively complex compared to that of other taxes, as such it is important to prepare ahead of time. Some taxpayers are required to submit financial statements and auditor's report along with their Income Tax return. As the preparation of these financial documents, appointing a license auditor and getting the certification from the auditor can be time consuming, therefore, it is important to plan ahead in order to avoid missing the deadline.

If the total income derived in an accounting period exceeds MVR 10 million, the person is required to submit an auditor's report along with their income tax return. The appointed auditor must be licensed by the Institute of Chartered Accountants of the Maldives. A list of approved auditors is published on the MIRA's official website. If the total income derived in an accounting period exceeds MVR 10 million, the financial statements must be prepared on accrual basis. However, if the total income derived in an accounting period does not exceed MVR 10 million, the financial statements can be prepared either on accrual or

cash basis.

A person who derives rent from immovable property situated in the Maldives can elect to claim a deduction equivalent to 20% of total rental income as expenditure (i.e. notional deduction) incurred in deriving the rental income. Only person's preparing accounts in cash basis can make such an election and the person will not be allowed to deduct any other expenses in respect of that rental income in the computation of taxable income. Additionally, the person has to continue to adopt the same method, continuously, for 5 years.

If the total income of an individual derived in 2020 and 2021 exceeds MVR 2 million or the total taxable income for the periods exceeds MVR 720,000, the individual is required to submit income tax return for the year 2021. Companies, partnerships and deemed partnerships are required to file for income tax return for the year 2021, if the total income derived in 2020 and 2021 exceeds MVR 2 million or the total taxable income for the periods exceeds MVR 500,000. The deadline for income tax returns filing for the year 2021 is 30 June 2022.

MIRA commences Income Tax Filing Assistance Program for the tax year 2021

Najwa Haleem
Senior Tax Officer, Facilitation

Similar to every year, MIRA has decided to provide assistance for small and medium taxpayers in preparing their income tax returns for the tax year 2021. MIRA has intended to carry out this program mainly via telephone, email and other online platforms.

Taxpayers whose annual turnover was below MVR 10 million for the financial year 2021 and have opted to file their returns on "cash basis" may request for assistance for the preparation of income tax return and financial statement from MIRA by sending a Viber message to 9821415 or by emailing to 1415@mira.gov.mv. Taxpayers may also

call MIRA's hotline 1415 to request for assistance.

With the second amendment brought to the Income Tax Regulation on 19 April 2021, changes have been made to the filing requirements of taxpayers for periods starting from 1 January 2021.

Taxpayers may still opt to file their income tax returns for the period even if they are exempt from filing the return. The deadline for filing of Income Tax Return for the tax year 2021 is 30 June 2022.

12%

6%

1415

MIRAmaldives

MIRA Maldives

miramaldives



MIRA RC Cup



Special Assembly conducted for Dhivehibahuge Dhuvas



Policy to settle dues under an instalment agreement

Mariyam Waheed
Senior Tax Officer, Tax Academy



MIRA has introduced the instalment policy, pursuant to which a person in default can arrange to pay outstanding taxes or any other dues under an instalment agreement. The policy is aimed to prescribe a convenient and a transparent mechanism for people who are unable to settle their outstanding tax dues and other obligations.

A person may be considered for an instalment plan regardless of whether non-payment notices has been issued to them regarding outstanding tax dues, or whether enforcement actions has been taken to recover unpaid dues. The taxpayer would face no enforcement action if the taxpayer has agreed to settle dues under an instalment agreement and respects the agreed payment plan. However, non-payment fines would be accruing for the duration of the instalment plan and must be settled as the last instalment.

An installment plan will only be granted to settle the outstanding dues if the following requirements are fulfilled.

- (1) The deadline to settle the payment has elapsed;
- (2) The person has submitted all tax returns and other relevant documents due in relation to that tax type;
- (3) The person has made a commitment payment with respect to the outstanding amount;
- (4) The person has signed the instalment agreement accepting the terms and conditions of the instalment plan and the proposed schedule of instalment payments as determined by MIRA;
- (5) No previous instalment arrangement has been made with respect to the outstanding dues;
- (6) Where the person has an arrangement with MIRA to make the payment of outstanding dues via an instalment

plan, such payments are being made in accordance with the instalment agreement.

Even though the above requirements are fulfilled, the Commissioner General has the authority not to grant an installment plan with reference to the particular circumstances, financial status, and compliance history of the person.

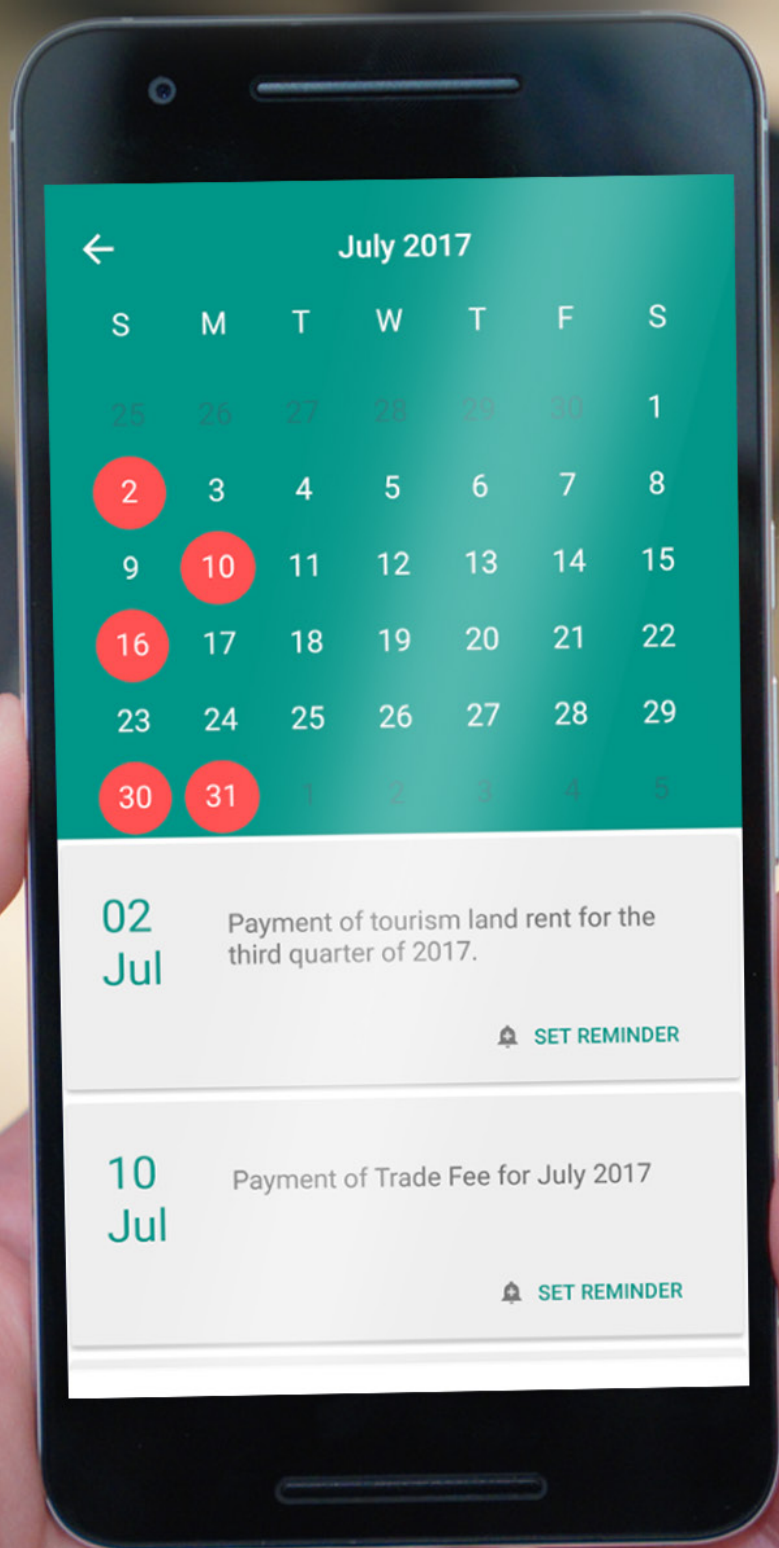
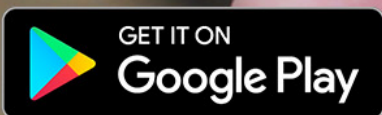
The instalments nod the advance payment (i.e. commitment payment) under the instalment agreement must be made according to the payment schedule in the annexure of the instalment policy. Taxpayers will only be granted the opportunity to sign the instalment agreement if commitment payment is made within 10 (ten) days of the notice, or within any other period determined by MIRA. A Commitment payment is an advance payment and a prerequisite before signing the instalment agreement. An official contract will be signed between the taxpayer and MIRA, only after the commitment payment is made.

Persons who wish arrange an instalment agreement to settle outstanding payments must submit a request by submitting MIRA 905 (Request for Instalment Plan) form. The form can be emailed to installment@mira.gov.mv.



Deadline REMINDERS

With the MIRA Maldives mobile application, it is quick and easy to view upcoming tax deadlines and set reminders for such deadlines



July 2017

S	M	T	W	T	F	S
25	26	27	28	29	30	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5

02
Jul

Payment of tourism land rent for the third quarter of 2017.

SET REMINDER

10
Jul

Payment of Trade Fee for July 2017

SET REMINDER