



MALDIVES
INLAND REVENUE
AUTHORITY

MIRA POST

Issue no.: 10/2016 20 October 2016



Remittance Tax becomes effective from 1 October 2016



Upcoming Deadlines

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

October

30

Submission of Green Tax Return for September 2016 and payment of Green Tax

October

30

Submission of GST Return and payment of GST for September 2016 and 3rd Quarter of 2016

November

10

Payment of duty free royalty for October 2016

November

10

Payment of Trade Fee for November 2016

November

15

Submission of Withholding Tax Return and payment of Withholding Tax for October 2016

November

15

Submission of Remittance Tax Return and payment of Remittance Tax for October 2016

Remittance Tax becomes effective from 1 October 2016



Consultation with the relevant stakeholders regarding the implementation of Remittance Tax

Aishath Hasna Ahmed, Senior Officer, Technical Service

The Maldives Inland Revenue Authority (MIRA) has stated that Remittance Tax on money transferred out of the Maldives by foreign employees falling under the “work visa category” became effective from 1 October 2016. In this regard, remittances by foreign employees working in Maldives with a work visa or foreign workers who are not allowed to work in Maldives without a work visa would be subject to Remittance Tax at the rate of 3%.

According to the fifth amendment to the

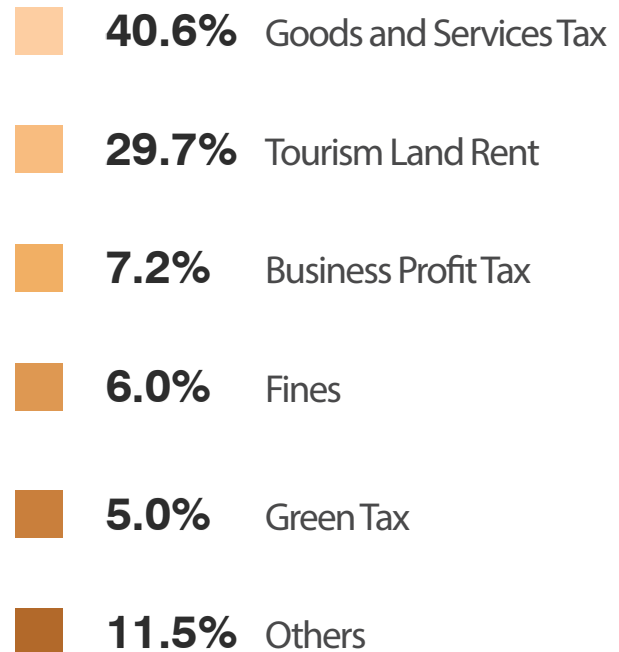
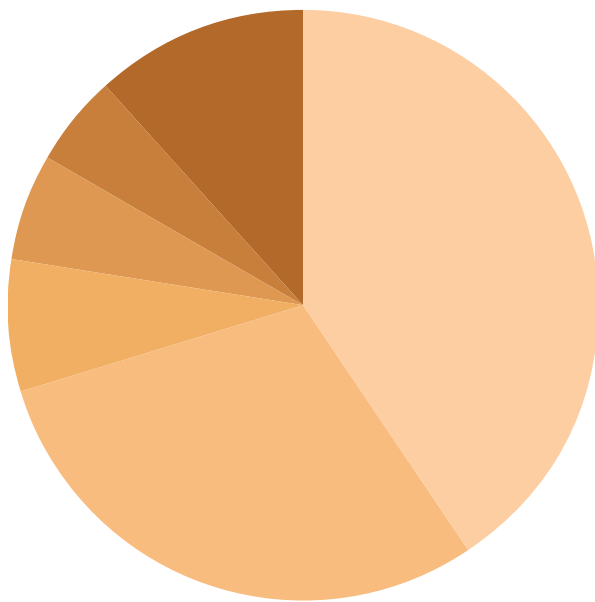
Employment Act ratified on 25 August 2016, employers of foreign employees with a work visa to work in the Maldives should open a bank account in Maldives in the employees’ name before 25 November 2016 and thereafter deposit the employees’ salary to the bank account only. In addition, tax on remittances by foreign employees must be collected and paid to MIRA by banks and money transfer agencies.

Activities aimed at foreigners and businesses are being organized to raise awareness on Remittance Tax. In this regard, MIRA staff has visited numerous shops in Male’ and atolls and provided information related to Remittance Tax.



Consultation with the relevant stakeholders regarding the implementation of Remittance Tax

MIRA collects MVR 1.1 billion during September 2016



MVR **1.1** billion

Total revenue collection,
Inclusive of USD collection

▲ **24.6** %

Increase compared to
September 2015

USD **51.9** million

USD Dollar Revenue Collection

Mariyam Jaidha, Senior Officer, Policy, Planning and Statistics

MIRA collected MVR 1.11 billion in revenue during the September 2016. This is a 24.6% increment compared to September 2015.

The rise in collection was mainly contributed by the 40.6% share from GST (general and tourism sector) and 29.7% share from Tourism Land Rent. Revenue collected in USD add up to USD 51.9 million for September

2016, which comprises 72% of the monthly collection.

Furthermore, the surge in collection complemented the monthly collection of September 2016 to surpass its projection by 0.3%. Major contributors for September have been the GST, Tourism Land Rent and BPT.

As of September 2016, the total revenue collection for the year 2016 sums to MVR 11.39 million, which is essentially a growth of 8.1% when compared against the corresponding period of 2015. GST shared 41.1% contribution, while BPT backed 21.8% of the total collection

MIRA extends the agreement with the Inland Revenue Board of Malaysia



From the 13th Technical Conference of the Association of Tax Authorities of Islamic Countries (ATAIC)

Mariyam Waheed, Officer (Trainee), Maldives Tax Academy

MIRA has extended the MOU originally signed on 2013 with the Inland Revenue Board of Malaysia (IRBM) on collaboration in human resource development and capacity building. Signing of MOU extension for another three years took place on the sideline of the 13th Technical

Conference of the Association of Tax Authorities of Islamic Countries (ATAIC) held from 26-29 of September 2016. On behalf of MIRA, the Commissioner General of Taxation, Mr. Yazeed Mohamed signed the MOU, while Deputy CEO Datuk Sabin Samitah signed on behalf of the IRBM.

During past three years, under this MOU, more than 60 staff of MIRA participated in 35 training programs held at the Malaysian Tax Academy which were fully funded by the Malaysian Tax Academy.

Names of non-filers and non-payers of GST for the 2nd quarter of 2016 disclosed



Aishath Hasna Ahmed, Senior Officer, Technical Service

Maldives Inland Revenue Authority (MIRA) has disclosed names of taxpayers operating in the Male' region and in the tourism sector who have not filed the GST return and paid GST for the 2nd quarter of 2016, in accordance with the policy on disclosure of names of non-filers and non-payers implemented by the Authority. The list published in the MIRA website includes 16 taxpayers operating in the tourism sector

and 121 taxpayers operating in the general sector, with a total of 137 taxpayers.

When a taxpayer in the list files the return or make the payment due, he would be removed from the list published in the website. The list would also be published in the Gazette, as specified in the Enforcement Policy.

MIRA informs that these taxpayers were contacted by phone multiple times and informed of the penalties stipulated in the Act for non-filing non-payment of tax. Further, efforts were made in informing taxpayers through SMS and by visiting the registered address of the taxpayer.

From 1 October 2016, a solution to the coinage issue resulting from Reload/Raastas



Aishath Hasna Ahmed, Senior Officer, Technical Service

MIRA has informed that from 1 October 2016, the amount credited to the accounts from Reload or Raastas would be the amount after deducting the amount of GST applicable to that transaction.

Before this change, GST was charged separately on top of the amount credited via Reload or Raastas. Now, instead of an additional payment for GST by customers, the amount credited to their accounts

would be after deducting GST from the amount paid by the customers.

With this change, the coinage issue faced by customers of Dhiraagu and Ooredoo would be resolved and ease recharging by prepaid customers. MIRA informs that various activities have been planned for the general public and businesses in order to raise awareness on this change.

Charging GST on telecommunication service began on 1 May 2014, pursuant to the first amendment to the Goods and Services Tax Act.



Green Tax

From Guesthouses



Green Tax from tourist guesthouses commences

Mariyam Waheed, Officer (Trainee), Maldives Tax Academy

Green Tax from tourists who stay in tourist guesthouses commenced on 1 October 2016, and is payable at the rate of 3 United States Dollars per day of stay, MIRA has said.

Prior to the commencement of Green Tax from guesthouses, MIRA had conducted an extensive awareness campaign aimed at tourist guesthouses to give them necessary information and make them ready for collection of Green Tax. The campaign included Green Tax Seminars for guesthouse operators and atoll trips covering most of the guesthouses in atolls.

MIRA also has said that the deadline for filing the monthly Green Tax Return and making the payment would be the 28th of the following month.

GST

Changes to the list of GST exempt financial services

Mohamed Ali Waheed, Deputy Director, Maldives Tax Academy

In a tax ruling issued by MIRA on 18 August 2016, amending the section 35 of the GST Regulation, MIRA stated that the issue and acceptance of prepaid cash cards, including commission and rebates earned by agents of the card issuer would come under GST exempt financial services effective 18 August 2016.

As a general rule, GST exempt financial services specified in the section 35 of the Regulation would be exempt from GST if only supplied by a State institution or with the authorization of the relevant State institution. However, this ruling, for the first time, made an exception to that rule by stating that the collection of any amount of interest in respect of a loan provided by a person registered for GST would be considered as financial services even if the services are provided by a person who is not authorized by the relevant State institution.


**JUDGMENTS
PASSED**
AUG 2016 - SEPT 2016

#	Court	Defendant	Address	Summary of Judgement	Amount
1	Civil Court	D.M.A Company Private Limited		To pay the outstanding amount to the MIRA within 3 months from the date of judgment	MVR 518,237*
2	Civil Court	Mohamed Riyaz	Ma. Fiverose, Male', Maldives	To serve 1 (one) month house arrest and to comply with the Judgment passed under Gaziyya Number I684/Cv-C/2015	(Execution of Judgment case)
3	Civil Court	Mohamed Arif	Mushthareege, Ha.Molhadhoo, Maldives	To pay the amount claimed by the MIRA within 1 month from the date of judgement	MVR 33,894*
4	Civil Court	Ahmed Waheed	H.Newqueen, Male', Maldives	To pay the amount claimed by the MIRA in equal parts on a monthly basis within 2 months from the date of judgement	MVR 183,178*

*Amount calculated up to the judgment date

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