

## Taxpayers with annual turnover of MVR 50 million and above to make payments online



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# Vehicle Fee



**Aminath Jazlee**  
Principle tax officer, Taxpayer facilitation

Vehicle fee is levied under Law No. 5/2009 (Land Transport Act) and is based on the engine capacity or tonnage of the vehicle. Annual fee imposed under this Act must be paid to MIRA for every calendar year, prior to end of the month in which the vehicle was registered. A fine of MVR 750 will be imposed on any person driving within the land transport system without making the vehicle annual fee annual fee. If the vehicle annual fee has been outstanding for a period of more than 6 months, an additional fine of MVR 750 will be imposed on the owner of vehicle. Vehicle annual fee payments are only accepted by MIRA

once all outstanding fines levied under the Land Transport Act, relating to the vehicle and on the vehicle owner are cleared.

Apart from MIRA offices, vehicle annual fee can be paid to the atoll councils in islands where a MIRA office has not yet been established. Furthermore, vehicle annual fee can also be paid through MIRA's online portal "MIRAconnect" and "Vaaru Pay" option on MIRA's website and mobile application "MIRA Maldives". Vehicle fee sticker can be collected upon presenting the online vehicle fee receipt to any of MIRA's offices.

If the vehicle fee sticker is lost or misplaced, a new sticker will be issued with a fine of MVR 20.

# Taxpayers with annual turnover of MVR 50 million and above to make payments online

**Fathimath Amaanee Khalid**  
Deputy Manager, Technical Service

Effective from 1 April 2019, taxpayers with an annual turnover of MVR 50 million and above are required to make payments with regard to specific tax types, through MIRA's online portal "MIRAconnect" or MRTGS. These tax types are, GST, WHT and BPT. Vaaru Card, BML Debit Card or BML Credit Card can be used

to make online payments via MIRAconnect.

This basis is set via Tax ruling TR-2019/A18 and aims to further digitalize the tax system in the Maldives and create a hassle-free mechanism for taxpayers to fulfill their tax obligations. MIRA conducts information and training sessions for taxpayers on how to file tax returns and make payment via MIRAconnect online portal. Furthermore, MIRA is currently notifying all taxpayers to whom this ruling applies.

## Ways to pay Company annual fee

Vaaru pay

MIRAconnect

Through Counter

MIRA mobile application

Through MIRA branch/ Collection center

If MIRA branch/ collection center is not there, than through Atoll Council

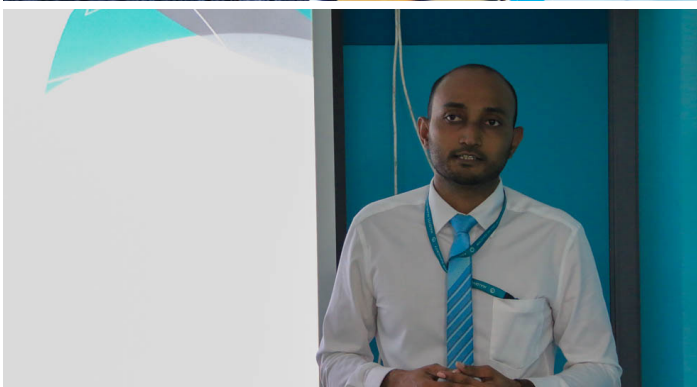
# Certificate 1 in taxation in Maldives - Batch 7

**Mariyam Waheed**  
Assistant Tax Officer, Maldives Tax Academy

The seventh batch of "Certificate 1 in taxation in Maldives" course conducted by Maldives Tax Academy has commenced on 3 March 2019 with 19 candidates enrolled. This certificate level 1 course is accredited by the Maldives Qualification Authority and covers tax administration, GST, BPT, WHT, Green Tax, Airport Taxes and

Fees and Remittance Tax. In addition to these, the participants are also educated on the filing of tax returns and documentation requirements related to tax obligations. Professionals from MIRA will be delivering the lectures in this course.

A new batch of this course is set to be held in the latter half of the year as well. All interested parties are advised to submit MIRA 911 form along with the supporting documents specified in the form.



# Time of supply



**Mohamed Migdhadh**  
Assistant Tax Officer, Taxpayer Facilitation

GST is an indirect tax levied under the Goods and Services Tax Act and is included in the price of goods and services sold by persons registered for GST with MIRA. The burden of GST is on the final consumers of goods and services, in other words, the customers who buy the goods and services. The amount of GST collected by GST registered persons from their customers must be paid to MIRA on or before the set deadline. For this reason, in order to determine the taxable period to which the collected tax relates to, it is important that registered persons grasp the concept of "time of supply".


As a general rule, the time of supply of a good or service occurs

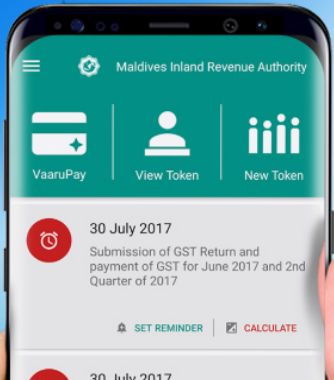
when a tax invoice is raised or when the full or partial payment for such goods or services is made, whichever comes earlier.

However, where the payment for a good or service is arranged to be made within a stipulated period on an installment basis, each installment paid as such will be regarded as a separate taxable transaction. The time of supply in relation to any such transaction shall be deemed to have occurred when the installment payment is received, or the when the installment payment would otherwise fall due, whichever is earlier.


Unlike the general rule, the time of supply of an advance payment occurs when the payment or partial payment in relation to a good or service is received, even if a tax invoice has not been issued for the transaction. GST must be accounted for the portion received but not the total invoice amount.

## MIRA Mobile Application





- Make payments
- Get tokens
- View upcoming tax deadlines
- Get latest news and updates
- View publications



# Modern tax system in Maldives

**Mariyam Adam**

Deputy Manager, Taxpayer Facilitation

Before the establishment of Maldives Inland Revenue Authority (MIRA) there was no modern tax system in Maldives. Taxes, fees and other charges were collected by the Department of Inland Revenue which was administered under the Ministry of Finance and Treasury. Taxes and fees collected then includes Tourism Tax (or Bed Tax), Bank Profit Tax, Airport Service Charge, Tourism Land Rent, Import Duties and Oversea Grants. The ratification of the Tax Administration Act on 18 March 2018 was the beginning of the implementation of a modern tax system in the Maldives. The Maldives Inland Revenue Authority (MIRA) was established under the Tax Administration Act in order to administer and implement all tax laws. As per section 97 of the Constitution of the Republic of Maldives, a "tax" can only be levied pursuant to a law enacted by the People's Majlis of Maldives. MIRA's role is to implement and enforce such tax laws.

Tax laws were enacted with the implementation of the Tax Administration Act and different new taxes were introduced. Taxation of business profits (BPT) commenced on 18 July 2011 under the Business Profit Tax Act (Law No. 5/2011). Goods and

Services Tax (GST) was also introduced under the Goods and Services Tax (GST) Act (Law No. 10/2011) and the initial rate of GST charged was 3.5% for both the tourism sector and general sector. Later however, with several amendments brought to the GST Act by the parliament, the GST rate was changed to 12% for tourism sector goods and services, and 6% for general sector goods and services. Additional taxes currently in effect includes Green Tax which was introduced with the 6th and 8th amendment to the Maldives Tourism Act (Law No. 2/99), and Remittance Tax introduced under the 5th amendment to the Employment Act (Law No. 2/2008).

Maldives has a self-assessment tax system, meaning once a person is registered with MIRA, the obligation of preparing and submitting the tax returns and computing and declaring the amount of the tax liability lies with the taxpayer. Therefore, it is important that taxpayers maintain records related to all business transactions and educate themselves on tax laws and regulations in order to compute the correct tax payable and make the payment prior to the deadlines. Under the self-assessment tax system, MIRA will audit all taxpayers to determine the accuracy of the declared tax amounts. In cases where in an audit, a taxpayer's declared tax amount is found to be inaccurate, MIRA will determine the correct tax liability due.

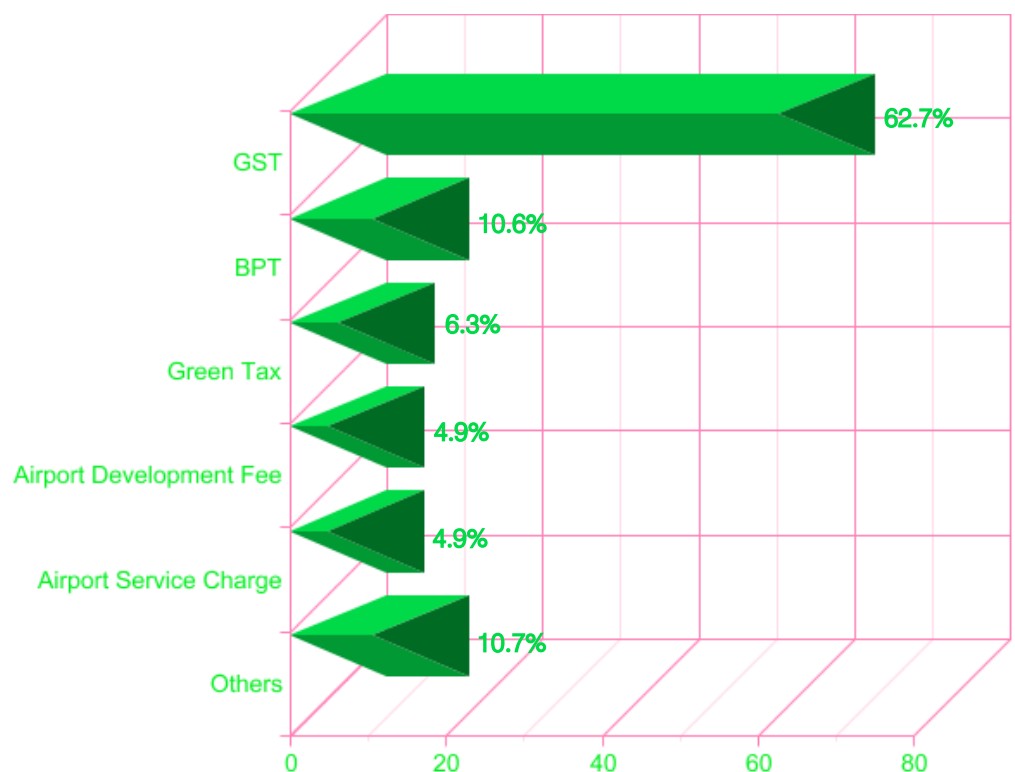
## MIRA collects 1.27 billion in February 2019

**Hassan Humaiz**

Assistant Tax Officer, Planning

MIRA collected MVR 1.27 billion in February 2019. This is a increment of 0.8% compared to the corresponding month of 2018. Moreover, February's collection surpassed its projection by 3.4%. Increment in GGST, BPT and Green Tax resulted a higher collection of revenue in February 2018.

Increase in Green Tax was due to increase in tourist arrivals by 6.4% during January. Moreover, Land sales Tax has also contributed to this increase in revenue



# Objection with regard to a tax audit

**Ahmed Shaheen**

Principle tax officer, Maldives Tax Academy

As the Maldives tax system is a “self-assessment” tax system, it is of great significance that MIRA carry out audits of all taxpayers in order to ensure that the tax amounts declared by taxpayers are in fact accurate and in accordance with the tax laws and regulations. In an audit if MIRA concludes that a taxpayer has to pay additional tax, MIRA will notify the taxpayer of such that. If the taxpayer is discontent with the additional tax charged, within 30 days of notice of tax assessment, the taxpayer may object MIRA’s decision. Thirty days for this purpose will be counted excluding government holidays.

Taxpayers who want to object to a decision made by MIRA in an audit may do so by submitting the Notice of Objection (MIRA 903) form. The Notice of Objection must clearly state what the taxpayer is objecting to and the reasons for objection, i.e. why the taxpayer

believes that MIRA’s assessment or decision is incorrect. It is not satisfactory for the taxpayers to state “I do not agree” or “the tax amount is too high”. It is recommended that taxpayers refer to the applicable provisions of the law and provide explanation as to how the taxpayer has computed an alternative figure.

Objection notices received from taxpayers will be reviewed by the Objection Section and the staff involved in the audit case will not be engaged in this process. The objection will be reviewed with consideration to the documents submitted by the taxpayer and with reference to all relevant laws, and once the review is completed, MIRA’S decision will be informed to the taxpayer through an Objection Review Report. This report will detail MIRA’s decision with regard to claims made in the objection and if there is any change to the tax liability, it will be clearly explained.

Where a taxpayer is not satisfied with a decision made by the MIRA with regard to an objection made, taxpayer may appeal to the Tax Appeal Tribunal within 30 days from the date that the decision was made.



# Deadline REMINDERS

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

