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MALDIVES
INLAND REVENUE
AUTHORITY

Guide to Taxpayer Registration

MIRA M833

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Taxpayers can rely on this guide as to the MIRA’s interpretation of the relevant tax laws and regulations. If you do not understand anything in this guide or have queries related to your particular circumstances, call 1415 or send an email to 1415@mira.gov.mv.

I. Introduction

This guide is aimed at persons who wish to conduct business activities in the Maldives. It outlines registration requirements under various tax laws in the Maldives.

2. Registration with MIRA under the Income Tax Act

In general, you are liable to register, if you are a person within the scope of the Income Tax Act (ITA). You are a person within the scope of the ITA, if you are a resident and a non-resident or a temporary resident who derives income from the Maldives. However, pursuant to the ITA the Income Tax Regulation (ITR) has provided certain exemptions to this general registration requirement.

Persons earning income other than remuneration

If you are earning income other than remuneration you are required to register by completing and submitting MIRA I 17 (Income Tax Registration) form.

Registration under the ITA is done in the name of the person who derives the income.

Persons required to be registered under the Business Registration Act

If you register your business with the Ministry of Economic Development (MED) under the Business Registration Act, or if you are a company or a partnership incorporated in the Maldives you will not be required to submit a separate form to MIRA for registration under the ITA as it will be done together with your business registration process at MED. Once your registration process is completed, MIRA will provide you with your Taxpayer Identification Number (TIN) which you must quote on all your correspondences with MIRA.

Foreigners doing business in the Maldives

The Business Registration Act requires foreign individuals intending to conduct any business activity in the Maldives to register either a company or a partnership with the MED. In addition to the registration of your business with MED, the company or partnership must also register with MIRA for income tax.

Find out more

Tax Guide for Foreigners Doing Business in the Maldives is a guide covering all aspects registration requirements and tax obligations as it applies to foreigners doing business in the Maldives, and is available at <https://bit.ly/3kE4PSL>.

Individuals and ‘deemed partnerships’ not required to register under the Business Registration Act

Even if you did not register or are not required to register with MED under the Business Registration Act, you are still required to register with MIRA under the ITA if you meet any of the following conditions and you must complete and submit MIRA 117 (Income Tax Registration) form.

If you have obtained a license or a permit to conduct business from a government authority or an institution. You are required to apply for registration within 30 (thirty) days from the date of issuance of the permit or license.

If you are required to withhold tax from the remuneration paid to any of your employees. You are required to apply for registration within 30 (thirty) days from the date you were liable to withhold.

If you earn an average gross monthly income exceeding MVR 40,000 (forty thousand) from all of your business activities in a 12-month period. You are required to apply for registration within 30 (thirty) days from the date you meet the threshold.

Persons required to deduct non-resident withholding tax

If you are conducting any business in the Maldives and making a payment subjected to non-resident withholding tax you are required to apply for registration from within 30 (thirty) days from the date such payment was paid or payable.

Persons conducting business in the Maldives through a Permanent Establishment

Please look at the definition of permanent establishment from the Section 79 (gg) of the ITA.

Persons not deriving any form of income and persons deriving only exempt income

You are required to register for income tax if you are required to withhold tax from the remuneration paid to any of your employees. These include approved charitable organization and government institutions.

Find out more

MIRA 117 (Registration and Change of Information) form and instructions on completing it are available at <https://bit.ly/3DxDGHR> and <https://bit.ly/3XzRysR> respectively.

TIN and Notification of Registration

Upon registration under the ITA, MIRA would issue you the *Notification of the Registration* with a TIN. TIN is the unique identification number issued to you when you register for income tax.

Addition of new activities under an existing registration

If you start an additional business activity after your registration for income tax, you would need to add that new activity under your existing registration.. You must submit a MIRA 117 form to MIRA to add that new activity under your registration with MIRA.

Example 1: Addition of new activities under existing registration

Ahmed Hassan owns a corner shop, Star Mart in Gaafaru. Ahmed Hassan is registered with MIRA under the TAA, and his shop Star Mart is registered with MIRA as his business activity. Suppose Ahmed Hassan buys a speed boat and starts a ferry service, he must add the ferry service to his registration with MIRA as one of his business activities, by submitting MIRA 117. In such a case, he would get a different activity number for the ferry operation under his existing TIN.

Change of information

Any changes to the information submitted to MIRA during registration, including the start of an additional business activity, must be communicated to MIRA within 15 days of the change, by submitting MIRA 117 form.

3. Registration for Goods and Services Tax (GST)

You are required to register for GST only if you meet certain conditions. It is compulsory to register for GST if:

- you provide "tourism goods and services", or
- you import goods to the Maldives, or
- your total taxable sales (including zero-rated goods and services) for the previous 12 months exceeded MVR 1 million, or your taxable sales (including zero-rated goods and services) for the next 12 months is expected to exceed MVR 1 million.

“Tourism goods and services” are goods and services supplied by:

- Tourist resorts, integrated tourist resorts, resort hotels, hotels, tourist guest houses, picnic islands, private islands, tourist vessels, yacht marinas and other such establishments (collectively referred to as “tourist establishments”) authorized by the Ministry of Tourism.
- Diving schools, shops, spas, water sports facilities and other such places established on a tourist establishment (excluding shops operating exclusively for the employees of such establishments).
- Travel agency service providers.
- Agents providing goods and services to foreign tourist vessels entering the Maldives.
- Domestic air transportation service providers to persons other than Maldivian citizens.

GST registration is done in the name of the permit or license holder. Where a license or permit is not obtained, registration will be done in the name of the legal owner of the business.

If you are registering for GST because of you supplying a tourism good or service, you must register within 30 days of the operating license or permit. However, when you are issued with an operating license by the Ministry of Tourism to conduct a tourism sector activity, MIRA would automatically register the activity and inform you.

If you import goods for a purpose other than for private use or the importer is not a government institution, you are required to register for GST within 30 days of importing goods.

If you are required to register for GST due to crossing the 1 million Rufiyaa threshold (actual of past 12 months or expected of next 12 months), you must register by the end of the following month after the month in which the 1 million Rufiyaa threshold was met.

If you start a new taxable activity after you have been registered for GST, your new activity must be registered for GST from the date of commencement of that activity. To register for GST, you must complete and submit MIRA 105 form. You must submit separate forms if you

are applying for separate registrations or separate sector registrations, as explained in the following sections of this guide.

Find out more

MIRA 105 (GST Registration) form and instructions on completing it are available at <https://bit.ly/3WuAV0l> and <https://bit.ly/3D9Pyzi> respectively.

Combined vs single registration

The general rule is that all taxable activities will be registered in the name of the person holding the relevant permit or operating license, and issued a single GST TIN. However, separate registration of activities may be allowed, on request, if the following conditions are met:

- Accounts with respect to such taxable activity are maintained separately from other taxable activities carried on by such person; and
- Such taxable activity is located on a different island from where other taxable activities carried on by such person are located, or the nature and type of such taxable activity is different from that of other taxable activities carried on by such person.

In addition, the following tourist establishments will be registered as separate taxable activities and each establishment will get a unique GST TIN irrespective of being operated by one owner.

- Tourist resort
- Integrated tourist resort
- Resort hotel
- Hotel
- Tourist guesthouse
- Picnic island
- Private island
- Tourist vessel
- Yacht marina
- Other such establishments authorized by the Ministry of Tourism

Example 2: Separate registration of tourist establishments

Resort Holidays Pvt. Ltd. owns and operates two resorts in the Maldives. Each resort will be registered for GST separately and will be assigned two separate GST TINs. Consequently, each resort would fulfil its own GST obligations separately.

However, tourism sector activities conducted on a tourist establishment by the operator himself will be included in the registration of that establishment.

Example 3: Registration of Tourism GST sector activity conducted on a tourist establishment

Dhigu Pvt. Ltd. owns and operates Dhigu Resort in Raa Atoll. Dhigu Pvt. Ltd. also operates a diving school in Dhigu Resort as a separate business activity. The diving school, in this case, falls within tourism sector GST as it is conducted on the tourist establishment, and it would be registered for tourism sector GST under the same TIN as that of the Dhigu Resort. Separate registration rule that applies to tourist establishments does not apply here as diving school is conducted on a tourist establishment.

Separate sector registration

If you conduct taxable activities in both tourism sector and general sector, you will be required to register all of your taxable activities in the relevant sector, irrespective of whether or not your annual taxable supplies exceed MVR 1,000,000 (one million).

Example 4: Separate sector registration

Moosa Ikram owns and operates a tourist guesthouse in Hulhumale'. He also owns and operates a café' in Male'. In this case, the guesthouse will be registered in the tourism GST sector irrespective of its turnover, while the café' would be registered in the general sector irrespective of whether or not his annual taxable supplies exceed MVR 1,000,000 (one million) or fulfils the import license requirement.

If you operate a shop exclusively for the employees of a tourist establishment (tuck shop), you will be required to register that shop separately from your other taxable activities. When you register the tuck shop, it must be registered for general sector GST regardless of the fact that it is operated on a tourist establishment.

Example 5: Separate sector registration

Fehi Pvt. Ltd. owns and operates Fehi Integrated Resort in Alif Alif Atoll. Fehi Pvt. Ltd. also operates a tuck shop in Fehi Integrated Resort as a separate business activity. The tuck shop, in this case, will be registered for general sector GST, under a different TIN as that of Fehi Integrated Resort.

Voluntary registration

If you conduct a business activity under a permit, even if it is not compulsory for you to register for GST, you may request to the Commissioner General to voluntarily register for GST.

TIN and GST registration certificate

Upon registration for GST, you will be provided with your unique GST TIN and each activity will get a separate GST registration certificate which must be displayed in a conspicuous place at the business premises of the taxable activity. Your GST TIN and the activity number will be stated on the certificate. You must start charging GST from the date specified on the certificate.

Online businesses must display their TIN in a conspicuous place on the online portal, together with a logo designated by MIRA to indicate that the person is registered for GST.

GST TIN must be declared on tax invoices, receipts, credit notes, debit notes and in all communications with the MIRA in relation to GST.

4. Green Tax

Tourist resorts, integrated tourist resorts, tourist hotels, resort hotels, hotels, tourist vessels, tourist guesthouses and other such establishments are required to register for green tax from the date of issue of operating license issued by the Ministry of Tourism. Registration will be made in the name of the operating license holder. No separate form is required to be submitted to MIRA for green tax registration, as required tourist establishments will be registered automatically by MIRA based on the data from the Ministry of Tourism. Tourist establishments will be informed of their registration by MIRA.

Green tax registration certificate must be displayed in a conspicuous place at the business premises of the establishment.

Foreign tourist vessels

Foreign tourist vessels will be registered for green tax on a per voyage basis in the name of the local agent of that vessel appointed under the Maldives Tourism Act. Registration will be done based on the “cruising permit” issued by the Ministry of Tourism.

5. Airport Taxes and Fees (ATF)

International airport operators and airlines that operate scheduled flights to Maldives are required to register under the Airport Taxes and Fees Act. This is also an automatic registration process where MIRA registers airlines and airport operators based on the information provided by the Maldives Civil Aviation Authority.

ATF comprises of Departure Tax (DPT) and Airport Development Fee (ADF). Since ADF is levied only on passengers departing from the Maldives via Velana International Airport, among the international airport operators, only the operator of Velana International Airport is required to register for both Departure Tax and ADF.

Each airline and airport operator will be registered for ADF and DPT separately, in the name of the entity who holds the relevant permit. MIRA will communicate registration details to the entity upon registration.

6. Penalty for non-registration

The civil penalty for non-registration is MVR 50 per day for each day of delay, up to a maximum of MVR 5,000. This applies to late registration under all tax laws.

7. Relevant laws, regulations and tax rulings

The following laws, regulations and tax rulings provide the legal basis for the guidelines provided in this guide:

- Tax Administration Act (Law Number 3/2010): <https://bit.ly/3WGV7kl>
- Tax Administration Regulation (Regulation Number 2013/R-45): <https://bit.ly/3DbevdX>
- Goods and Services Tax Act (Law Number 10/2011): <https://bit.ly/3XUPI5Q>
- Goods and Services Tax Regulation (Regulation Number 2011/R-43): <https://bit.ly/3QYYX2t>
- Eighth Amendment to the Maldives Tourism Act (Law Number 13/2016): <https://bit.ly/3HqGvwp>
- Green Tax Regulation (Regulation Number 2015/R-181): <https://bit.ly/3HIJKZN>
- Airport Taxes and Fees Act (Law Number 29/2016): <https://bit.ly/3XxrAGB>
- Airport Taxes and Fees Regulation (Regulation Number 2017/R-11): <https://bit.ly/3XPyyq3>



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FOR QUERIES:



1415



1415@mira.gov.mv

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