



MALDIVES
INLAND REVENUE
AUTHORITY

MIRA POST



**FIRST INTERIM DEADLINE
FOR THE TAX YEAR 2022 IS 31 JULY 2022**



Volume 11
Number 7
July 2022



First interim deadline for the tax year 2022 is 31 July 2022



MIRA 603

Version 21.3

Reset Form

Interim Return INCOME TAX

TIN (Taxpayer Identification Number)

1	2	3	4	5	6	7
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Your TIN as it appears on your Notification of Registration

Taxpayer Name

Your name as it appears on your Notification of Registration

Taxpayer Type (Tick the applicable boxes)

<input checked="" type="checkbox"/> Individual	<input type="checkbox"/> Company / Partnership / Others	<input type="checkbox"/> Bank	<input type="checkbox"/> Non-resident shipping or aircraft operator	<input type="checkbox"/> Insurer
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If you are a company within a group of companies, provide the number of companies in the group subject to income tax (exclusive of you)

Accounting Period (These are the dates specified in your financial statements)

0	1	0	1	2	0	2	2	3	1	1	2	2	0	2	2
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From

To

- You are required to file an interim return for this tax year if your annualized income tax payable for the previous tax year was more than MVR 20,000.
- If this is your first tax year and your estimated income tax payable for this tax year is more than MVR 20,000, you are required to file an interim return and make an interim payment.
- However, you are not required to file an interim return and make interim payment, if you are exempt from filing an income tax return for the tax year.
- If your annualized income tax payable for your previous tax year was more than MVR 20,000, and, you do not choose to base your interim payment on the estimated income tax payable for this year, complete Section A.
- If this is your first tax year, estimate the amount of interim payment payable in Section B.
- If you have reasonable grounds to believe that your income tax payable for this tax year will be less than your annualized income tax payable for your previous tax year, and would like to base your interim payment on the estimated amount of income tax payable for this year, complete Section B.
- Wherever the word BPT is used in this return, for banks, it means Bank Profit Tax.

I This is your:

- (a) First interim return
 (b) Second interim return

II What is your presentation currency?

- (a) Rufiyaa
 (b) United States Dollar

III Your interim payment is based on:

- (a) Your income tax payable for your previous tax year (If yes, complete Section A)

If your tax payable for the tax year 2021 was an amount more than MVR 20,000, it is mandatory to file an interim return for the tax year 2022. If the accounting period for the tax year 2021 was less than 365 days, MVR 20,000 has to be prorated accordingly. If 2022 is your first tax year and estimated tax payable for the year is more than MVR 20,000, you are required to file an interim return. If your income is derived solely from employment and remuneration is received from only one payer, you are not required to make an interim payment.

There are two interim payments. The deadline to submit first interim return and payment for the year 2022 is 31 July 2022.

If you have reasonable grounds to believe your tax payable for the tax year 2022, will be less than that of 2021, you may estimate your interim payments in accordance with the Regulation. However, if tax payable for the year 2022 is greater than 20% of estimated interim payments, each interim payment payable for 2022 is deemed to be half of tax payable for 2021. The additional amount would be considered as due and a fine would be charged on the amount.

Interim return is MIRA 603 form. If you fail to submit interim return by the deadline, a fine of MVR 50 per day of delay will be imposed along with a fine of 0.5% of any tax payable. If you fail to make interim payment by deadline, a fine of 0.05% of outstanding amount will be imposed per day of delay.

Dividend for Tax Purposes

Nadha Nazeer
Senior Tax Officer, Legal Service



Dividends received by a taxpayer from a resident company are deductible for tax purposes under the Business Profit Tax Act¹. A dispute arose in Vermillion International Pvt Ltd v Maldives Inland Revenue Authority (“Vermillion International v MIRA”)² over the meaning of the term “dividend” stated in Tax Ruling TR-2012/B17 (“Tax Ruling”). The case concerned an amount of guaranteed minimum dividend paid by Residency Resorts Male’ Pvt Ltd (“Residency Resorts”) to its shareholder Vermillion International under a Shareholders Agreement. The question before the

Tax Appeal Tribunal (“Tribunal”) was whether such a payment arising from the fulfillment of a contractual obligation can be considered as “dividend” for the purposes of the Tax Ruling.

In reaching a decision, the Tribunal considered the meaning given to the term “dividend” in the Commentary to Article 10 of the OECD Model Tax Convention on Income and on Capital and in dictionaries as well. The Tribunal stated in its decision that dividends are paid to shareholders from the net profit of a company and in order to claim a tax deduction³, dividends must have been paid out of the net profit of Residency Resorts. The Tribunal noted that while dividends are generally paid out of a company’s retained earnings, the guaranteed minimum dividend payable under the Shareholders

Agreement is a financial liability of Residency Resorts as it is born out of a contractual obligation⁴.

As the guaranteed minimum dividend amount was not paid out of Residency Resorts’ net profit, the Tribunal denied taxpayer’s claim for a tax deduction.

¹Paragraph 4 of Tax Ruling TR-2012/B17

²TAT-CA-B/2020/002

³Paragraph 4 of Tax Ruling TR-2012/B17, Section 10(d)(9) of the Business Profit Tax Act (Law No. 5/2011)

⁴In stating this, the Tribunal referenced International Accounting Standard 32 Financial Instruments: Presentation

*GST deadline for the month
of June 2022 and the 2nd
quarter of 2022 is
31 July 2022*

Policy on disclosure of non-filers and non-payers

Mariyam Zuha Ibrahim
Principal Tax Officer, Small Taxpayer Audit

Certain conditions must be met when disclosing the names of the person who fails to file tax returns or make payments under tax law pursuant to the policy on disclosure of non-filers and non-payers. First and foremost, two notices must be issued with respect to non-filing of tax return or non-payment, and fifteen days must have elapsed from the time period stipulated in the notice. In the case of a non-payer, the outstanding amount shall be more than the threshold determined by the MIRA. In addition to this, if the non-payer is concerned with taxes other than income tax, six months must have passed without a tax return being filed. However, if it is related to income tax, in addition to declaring income in excess of the MIRA's threshold for that tax year, the person whose name is being disclosed must have failed to file a final tax return for the previous year. As a final step the risk profiling section of MIRA must nominate the taxpayer to be disclosed based on the taxpayer's compliance risk.

The names of the non-payers of non-tax monies shall be disclosed only if the outstanding dues exceed the threshold determined by the MIRA.

Specific details of the taxpayer will be disclosed under the policy including taxpayer name, address, registry number, Taxpayer Identification Number (TIN), and the registered taxable activities of taxpayers.

Names of the taxpayers will be disclosed in stages. The first, details would be displayed at the Taxpayer Service Centre and published on MIRA's website, After 15 days following the first stage, the details would be disclosed in the government gazette.

Certain factors should be verified prior to any disclosure under the policy. This includes whether or not the person has deregistered or has applied for deregistration, and whether the person is deceased or the entity is in the process of liquidation. During this verification process, an opportunity will be given

to the non-filer or non-payer to submit a statement in relation to the claim made by MIRA. If the claim made by MIRA is denied by such person, MIRA shall confirm the validity of this statement.

If the person did not respond to the opportunity granted, or if MIRA cannot obtain a statement from the person due to failure to contact via the contact number or email address registered with MIRA or because the person does not reside in the address registered with MIRA, the person's name shall be disclosed in accordance with the policy.

With respect to Goods and Service Tax (GST), Green Tax (GRT), and Withholding Tax, non-filer and non-payer names shall be disclosed in March and September of each year. If a person fails to file their returns or make payments by the end of the day prior to the aforementioned date, their names will be disclosed accordingly. Furthermore, non-filers and non-payers of income tax shall be disclosed in October of each year, if such person fails to file a return or make the payment by the end of the day prior to the date of disclosure.

The names of non-payers of land rent in the tourism and agricultural sectors shall be disclosed twice a year, in April and October, as opposed to the names of non-payers of other non-tax monies, which shall be disclosed once a year, in July.

If the name of the non-filer or non-payer has already been disclosed in one stage, it can only be disclosed in another stage if the person fails to make the payment or file the return. Any person who submits the respective return or makes the outstanding payment after the list has been published on MIRA's website shall have his name removed from the list. Nonetheless, the name disclosed on the list published on the government gazette shall not be removed.

This Policy is effective from 1st April 2022.

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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