

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



**MALDIVES INLAND REVENUE AUTHORITY**

Malé, Republic of Maldives

# TAX RULING

Business Profit Tax: Determining the date on which a payment subject to withholding tax is made

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**Reference No.:** TR-2014/B37

**Date of issue:** Monday, 8 September 2014

*This ruling is issued pursuant to the authority granted under Section 84 of the Tax Administration Act (Law Number 3/2010) as amended by Law Number 14/2011. Unless otherwise stated, all references to the Act are to the Business Profit Tax Act (Law Number 5/2011). This ruling is legally binding.*

## Introduction

1. This ruling explains the date on which a payment subject to withholding tax shall be deemed to have been made.
2. Section 6 of the Act states:
  - (a) If the following payments are *paid* or payable in any tax year to a Person who is not resident in Maldives in that year, then the Person who makes the payment shall be chargeable to tax in respect to such payment, under this Section.

(emphasis added)
3. Section 25 of the Act states:
  - (a) Tax charged in respect of any payment under Section 6 of this Act:

...

  - (3) shall be paid to the MIRA not later than the 15<sup>th</sup> day of the month following the month in which *the payment is paid or adjusted from accounts*, whichever is the earlier.

(emphasis added)




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## **Ruling**

4. For the purposes of sections 6 and 25(a) of the Act, a payment falling within section 6 of the Act shall be deemed to have been made on the following dates:
  - (a) Where the payment is made in cash, the date on which the cash is received by the payee or any person that receives the payment on behalf of the payee;
  - (b) Where the payment is made by cheque, the date on which the cheque is issued;
  - (c) Where the payment is made by telegraphic transfer, the date on which the payment is debited to the payer's bank account;
  - (d) Where the payment is made by an adjustment from accounts, the date of the accounting entry which adjusts the accounts.

## **Date of Effect**

5. This ruling shall have effect from its date of issue.



Yazeed Mohamed  
Commissioner General of Taxation

*This is the unofficial translation of the original ruling issued in Dhivehi. In the event of conflict between this translation and the Dhivehi version of this ruling, the latter shall prevail. Therefore, it is advised that both the Dhivehi version of this ruling and this translation be read concurrently.*