



Unofficial translation of the

FIRST AMENDMENT TO THE INCOME TAX REGULATION

2020/R-56

This Regulation was made pursuant to the authority granted to the Board of the Maldives Inland Revenue Authority by the Tax Administration Act (Law Number 3/2010) as amended, and was published in the Government Gazette on Monday the 20th of July 2020.

DISCLAIMER OF LIABILITY

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

FIRST AMENDMENT TO THE INCOME TAX REGULATION

The Income Tax Regulation (Regulation Number 2020/R-21) shall be amended as follows:

1. Insert a subsection after Section 99(b) of the aforementioned Regulation as follows:

99. (c) Notwithstanding subsection (b), a person carrying on the business of insurance shall use MIRA 605 (Income Tax Return – Insurance Businesses) form to file the income tax return.

2. Insert a Section after Section 100 of the aforementioned Regulation as follows:

**Computation
of Interim
Payment**

- 100-1. (a) The interim payment amount may be estimated as according to Section 43(a) or 43(d) of the Act in the first interim return as well as in the second interim return.
- (b) The amount of withholding tax expected to be deducted as specified in Section 43(f) of the Act shall only be deductible where the amount of interim payment is estimated under Section 43(a) or 43(d) of the Act.

3. Insert a Section after Section 102 of the aforementioned Regulation as follows:

**Submission of
consolidated
financial
statements to
MIRA**

- 102-1. (a) Where the taxpayer is a parent entity, the entity shall, together with that entity's income tax return, submit consolidated financial statements to MIRA for all entities in the group of entities for which it is the parent entity, and the consolidated financial statements shall be prepared in accordance with the accounting standards adopted under Section 59(d) of this Regulation.

(b) For the purpose of subsection (a):

- (1) An entity shall be considered a parent entity, where the accounting standards adopted under Section 59(d) of this Regulation determine that such entity is a parent entity.

- (2) A group of entities comprises a parent entity and all of its subsidiaries.
- (c) For the purpose of Section 9(c) and Section 79(k) of the Act, where the parent entity specified in subsection (a) is a company, the companies in that group of companies shall be that company and all of its subsidiaries to which the Act applies.
- (d) For the purpose of this Section, an entity shall be considered a subsidiary, where the accounting standards adopted under Section 59(d) of this Regulation determine that such entity is a subsidiary of a parent entity.
- (e) Notwithstanding financial statements are prepared by an entity under this section, each entity in a group of entities shall prepare separate financial statements in accordance with the accounting standards adopted under Section 59(d) of this Regulation, and submit separate income tax returns.

4. Amend Section 122 of the aforementioned Regulation as follows:

Accounting standards approved by the Commissioner General

122. For the purpose of Section 13(b) of the Act, international accounting standards approved by the Commissioner General are:

- (a) International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS);
- (b) International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs);
- (c) Accounting and Auditing Organization for Islamic Financial Institutions Standards (AAOIFI)

5. This Regulation shall have effect from the date of its publication in the Government Gazette.