



MALDIVES INLAND REVENUE AUTHORITY

Malé, Republic of Maldives

TAX RULING

Remittance Tax: Remittance Tax on cash withdrawals abroad

Reference No.: TR-2016/R1

Date of issue: Monday, 17 October 2016

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 Employment Act (Law Number 2/2008) as amended, and all references to the Regulation are to the Remittance Tax Regulation (Regulation Number 2016/R-86). This ruling is legally binding.

Introduction

1. This ruling determines the date from which Remittance Tax shall be collected from cash withdrawals abroad from a bank account in the Maldives, pursuant to section 7(b) of the Regulation.
2. Section 7 of the Regulation states:
“Remittance”
 - (a) For the purposes of Chapter 11 of the Act, the following activities carried out by foreigners employed in Maldives shall be considered as remittances:
 - (1) Transferring money out of the Maldives through a bank or money transfer agency.
 - (2) Withdrawing cash from a bank account opened in the Maldives, outside the Maldives.
 - (b) Transactions referred to in subsection (a)(2) shall be subject to Remittance Tax from a date determined by the Commissioner General of Taxation.

Ruling

3. Withdrawal of cash abroad, from a bank account opened in the Maldives by a “foreigner employed in the Maldives” (as defined in section 89 of the Act), shall be subject to Remittance Tax in accordance with the Act and the Regulation from 1 January 2017 onwards.

4. Notwithstanding paragraph 3 of this ruling, banks that put in place a mechanism – manual or automatic – to collect Remittance Tax from transactions referred to in section 7(a)(2) of the Regulation prior to that date shall collect Remittance Tax from such transactions in accordance with the Act and the Regulation, from the date on which such mechanism was established. However, the last date on which such transactions can be conducted without collecting Remittance Tax shall be 31 December 2016.

Date of Effect

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

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.

