Guide to Taxpayer Registration
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The information in this guide is based on laws and regulations prevailing at the time of publication. It is not expected to be a substitute for a detailed research or exercise of professional judgment on taxation matters in the Maldives. 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.
1. 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 Tax Administration Act

In general, if you conduct any business in the Maldives you are required to register with MIRA under the Tax Administration Act (TAA). This is same as registration for Business Profit Tax (BPT). In this guide, the terms “registration under the TAA” and “registration for BPT” will be used interchangeably.

The Business Profit Tax Act defines "business" to include any profession or vocation and every trade, commerce or manufacture or any other activity carried on with a view to making profits, excluding employment.

Registration under the TAA is done in name the legal owner of the business or the immovable property that constitutes the business. However, if the permit holder is different from the owner of the business, the permit holder is required to register and declare the income.

Example 1: Permit holder different from the owner of the business

Beach Vacation Pvt. Ltd. rented a property owned by Ibrahim Naeem in Hulhumale’ and developed a tourist guesthouse there. Under an agreement with the Beach Vacation Pvt. Ltd., the guesthouse is run by Holiday Solutions Pvt. Ltd., although the operating license was issued to Beach Vacation Pvt. Ltd. In this case the guesthouse must be registered in the name of Vacation Pvt. Ltd. which holds the operating license.

Companies, partnerships and other entities required to register with Ministry of Economic Development (MED)

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 TAA 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.

Business activities not registered or not required to register with MED

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 TAA if your business activity falls within the definition of “business” as defined in the BPT Act, unless you are an exempt individual or a “deemed partnership” under the Tax Ruling TR-2017/A11. In such cases, to register under the TAA, you must complete and submit MIRA 101 (Taxpayer Registration) form.
Find out more


Lease of immovable property

The scope of “business” as defined in the BPT Act includes granting of the right to occupy immovable property located in the Maldives for any consideration. In other words, the lease of immovable property located in the Maldives is considered as a “business” for BPT purposes. Hence lessors of immovable property must register with MIRA under the TAA unless that person is an exempt individual or deemed partnership.

Rental income earners must be registered with MIRA in the name of the legal owner of the immovable property, i.e. if the owner is an individual, the business must be registered in the name of that individual, and if the owner is a group of individuals, in the name of that group of individuals, and so on.

In cases of subleases, all the persons receiving income from the property including the person who subleases the property to the other person must register with MIRA separately.

If the owner of the immovable property is deceased, the person or persons who receive rental income from the property must register the business with MIRA in the name of the (deceased) legal owner of the property. If and when the title to the property is transferred to another person or persons by a court judgment or otherwise, it is the responsibility of the new owner(s) to inform MIRA and change the registration information held at MIRA accordingly.

Find out more

Comprehensive information on registration of lessors of immovable property can be found in our Industry Tax Guide: Lease of Immovable Property, which is available at http://bit.ly/2pAF3I7

Charitable organizations

Charitable organizations that are approved by MIRA and do not conduct any business activity are not required to register for BPT. However, charitable organizations that conduct business are required to register for BPT.

The activities conducted by charitable organizations to generate income for that organization are not considered as business activities unless such income goes beyond the charity as personal gains of others rather than for the activities of the charities.
Example 2: Charitable organization not required to register with MIRA

*Green Foundation* is a charity registered with the Ministry of Home Affairs, which is also a MIRA approved charitable organization. *Green Foundation* owns a building which generates rental income to it and is solely used for running the charity and its activities. *Green Foundation* is not considered conducting business, and therefore it is not required to register with MIRA for BPT.

[Note: charitable organizations need to be aware of the GST registration requirements and whether or not they are required to charge GST on the goods and services they supply]

Find out more


Exempt individuals and “deemed partnerships”

If certain requirements are met, individuals and “deemed partnerships” are NOT required to register with MIRA under the TAA. “Deemed partnership” refers to two or more persons who share the gross receipts from a commercial activity, whether or not using a separate name and whether or not the persons have joint or common rights in any property that produces the receipts. If an individual or deemed partnership satisfies all of the following requirements, that individual or deemed partnership is not required to register with MIRA for BPT.

- The individual or deemed partnership does not hold a permit or license issued by a government authority to carry on business; and
- That individual or deemed partnership does not pay anyone for work performed by that person for that individual or deemed partnership; and
- Average monthly gross revenue in any 12-month period earned by the individual or deemed partnership is not more than MVR 40,000.

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 under the TAA.
TIN and Notification of Registration

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

Addition of new activities under an existing registration

If you start an additional business activity after your registration for BPT, you would need to add that new activity under your existing registration. This would be done automatically if your activity is registered with MED. However, if your activity is not registered with MED, then you must submit a MIRA 101 form to MIRA to add that new activity under your registration with MIRA.

Example 3: 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 101. 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 101 form.

Penalty for non-registration under the Tax Administration Act

The civil penalty for non-registration under the TAA is MVR 50 per day for each day of delay, up to a maximum of MVR 5,000.
3. Registration for Goods and Services Tax (GST)

Unlike BPT, 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 hold an import license, 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, tourist hotels, tourist guesthouses, tourist vessels, picnic islands and yacht marinas (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 hold an import license for a purpose other than for private use, you are required to register for GST within 30 days. Currently, Maldives Customs Service and MED make it a precondition that you register for GST before applying for an import license for a purpose other than for private use.

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.

### Penalty for non-registration under the GST Act

If you fail to register for GST by the required date, a penalty of MVR 50 per day for each day of delay, up to a maximum of MVR 5,000 applies.

### 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
- Tourist hotel
- Tourist guesthouse
- Tourist vessel
- Picnic island
- Yacht marina

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**Find out more**

Example 4: 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 5: Registration of Tourism GST sector activity conducted on a tourist establishment

Dhigu Pvt. Ltd. owns and operates Dhigu Resort in the 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 tourism 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 6: 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.

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. You must charge GST and fulfil other tax obligations from the date specified on the GST registration certificate even if it is a voluntary registration.
Importing for goods for private purposes

If you are importing goods solely for private purposes other than for production, you are not required to register for GST, provided that you do not hold a permit to sell imported goods and do not fulfil any other condition for compulsory GST registration.

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, tourist hotels, tourist vessels and tourist guesthouses

Tourist resorts, tourist hotels, tourist vessels and tourist guesthouses 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. Remittance Tax

Banks and money transfer agencies operated in the Maldives are required to register for remittance tax. This is also an automatic registration process where MIRA registers banks and money transfer agencies for remittance tax based on the information provided by Maldives Monetary Authority (MMA).
6. 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 Airport Service Charge (ASC) and Airport Development Fee (ADF). Since ADF is levied only on passengers departing from the Maldives via Velana International Airport, among the international airports operators, only the operator of Velana International Airport is required to register for both ASC and ADF.
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:
