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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. Terms we use

The key terms we have used in this guide are explained below. These terms are highlighted the first time they appear in the guide.

12-hour rule
The rule which determines whether a tourist must pay green tax for the 24-hour block during which he checks out. If the tourist spent 12 hours or more at the establishment during that 24-hour block, the tourist must pay green tax for that block.

24-hour block
Each 24 hours counted continuously from the time of check-in. For example, 15:00 hrs of one day to 15:00 hrs of the next day is a 24-hour block.

Tourist establishment or establishment
A term we use to refer collectively to tourist resorts, tourist hotels, tourist vessels and tourist guesthouses.

Foreign tourist vessel
A foreign-registered tourist vessel that arrives in the Maldives in accordance with section 24 of the Maldives Tourism Act.

GST
Goods and services tax imposed under the Goods and Services Tax Act.

Information Sheet
A statement which contains information about all the guests who stayed at the resort, hotel, vessel or guesthouse during the period. It must be submitted together with the green tax return.

Resident permit
A non-tourist visa issued to foreign nationals by the Department of Immigration of Emigration. For example, work visa, business visa, diplomatic visa, dependent visa, student visa, etc.

Stay over guest
A guest who checks in to a resort, hotel, vessel or guesthouse but does not check out by the end of the month.

Taxable day
Any 24-hour block for which green tax is payable, including blocks for which green tax is payable based on the 12-hour rule.

Tourist
A person (other than a Maldivian) who enters the Maldives but does not have a resident permit.

Tourist visa
The visa issued by the Department of Immigration and Emigration to foreign nationals entering the Maldives as tourists.
2. What is green tax?

Green tax is a tax payable by tourists who stay in tourist resorts, tourist hotels and tourist vessels from 1 November 2015 onwards. It is also payable by tourists who stay in tourist guesthouses from 1 October 2016 onwards. Green tax is payable at the rate of 6 United States Dollars per day of stay from tourist resorts, tourist hotels and tourist vessels, and 3 United States Dollars per day of stay from tourist guesthouses. Maldivians and resident permit holders who stay in resorts, hotels, vessels and guesthouses are not required to pay green tax.

Green tax is imposed pursuant to the Sixth and Eighth Amendments to the Maldives Tourism Act. Policies and procedures with regard to the imposition of green tax are set out in the Green Tax Regulation.
3. Registering for green tax

Registration

Green tax is imposed on tourists who stay in tourist resorts, tourist hotels, tourist vessels and tourist guesthouses. Therefore, only resorts, hotels, vessels and guesthouses operating in the Maldives are required to register for green tax.

Unlike the registration process for GST, resorts, hotels, vessels and guesthouses are not required to submit a separate green tax registration application to us. Instead, the establishment will be automatically registered for green tax from the date on which the Ministry of Tourism issues an operating license to that establishment. Tourist guesthouses already in operation as of 30 September 2016 will be registered automatically from 1 October 2016.

The establishments will be registered for green tax in the name of the person who holds the operating license of that establishment, even if it is managed by a different party. Each resort, hotel, vessel and guesthouse will be registered separately under different Taxpayer Identification Numbers. We will communicate registration details to the operating license holder.

Upon registration, we will issue a Green Tax Registration Certificate to the establishment. The certificate must be displayed in a conspicuous place at the business premises of the establishment.

You must start collecting green tax from the date of issue of the operating license even if you have not received your Green Tax Registration Certificate.

Deregistration

The operating license holder of an establishment must submit a request to deregister the establishment from green tax if the operating license is cancelled or transferred to another party. The request must be made in writing within 15 days of the cancellation or transfer.

You must continue filing green tax returns until we confirm in writing that you have been deregistered.
4. Computation of green tax

Green tax is payable at the rate of 6 United States Dollars for every 24 hours the guest spends at a tourist resort, tourist hotel or tourist vessel, and 3 United States Dollars for every 24 hours the guest spends at a tourist guesthouse. This means that each 24-hour block between check-in time and check-out time will be considered as 1 taxable day, for which green tax of USD 6 is payable by resorts, hotels and vessels and USD 3 is payable by guesthouses.

Check-in and check-out

Green tax must be charged from the time the guest checks in to the establishment. For the purpose of computing green tax, a guest is considered to have checked in to the establishment when it records in its systems or documents that the guest is staying at that establishment. Green tax must be computed until the guest checks out of the establishment. Check-out time is the time the establishment records in its systems or documents that the guest has checked out.

Not everyone who sets foot within the boundaries of the establishment must be considered as having checked in. However, anyone who stays in a room which has been approved by the Ministry of Tourism to accommodate tourists must be recorded as having checked in, even if he is a Maldivian or a resident permit holder.

Often during the high season, overbookings force establishments to accommodate tourists in rooms other than those approved by the Ministry of Tourism to accommodate tourists. In such cases, those guests who hold a tourist visa must be recorded as having checked in, and you must charge them green tax. You need not check in Maldivians or resident permit holders staying in such rooms (but you may do so if you wish). You must not collect green tax from Maldivians or resident permit holders staying in such rooms.

12-hour rule

Computation of green tax for the 24-hour block during which the guest checks out is based on the 12-hour rule. If the tourist spent 12 hours or more at the establishment during that 24-hour block, then that block will be considered as a taxable day; if not, green tax is not payable for that block.
Example 1: 12-hour rule

Mr Chen checked in to Marvel Hotel at 15:00 hrs on 15 November 2015, and checked out at 23:00 hrs on 16 November 2015. What is his green tax liability?

To compute Mr Chen’s green tax liability, you must break down his stay into 24-hour blocks, starting from the time of check-in. Hence, 15:00 hrs on 15 November to 15:00 hrs on 16 November is one taxable day. The next 24-hour block (15:00 hrs on 16 November to 15:00 hrs on 17 November) is the block in which he checks out. To determine whether Mr Chen must pay green tax for that block, you must see how many hours he spent at the hotel during that block. In this case, it is 8 hours (which is less than 12 hours). Therefore, Mr Chen is not required to pay green tax for that block.

Hence, Mr Chen must pay $6 as green tax.

Example 2: 12-hour rule

Mrs Heger checked in to Delta Safari at 09:00 hrs on 5 November 2015, and checked out at 21:00 hrs on the same day. What is her green tax liability?

In this case, Mrs Heger spent exactly 12 hours on the vessel. Under the 12-hour rule, green tax is payable if the tourist spent 12 hours or more at the establishment during the 24-hour block in which the tourist checks out.

Hence, Mrs Heger must pay $6 as green tax.

Guests already checked in to a guesthouse by 1 October 2016

There will be guests already checked in to a guesthouse at the time green tax comes into effect for guesthouses, i.e. at 00:00 hrs of 1 October 2016. For the purpose of computing green tax, the check-in time of such guests is deemed to be 00:00 hrs of 1 October 2016.

Example 3: Guests already checked in to a guesthouse by 1 October 2016

Ms Gianelli checked in to Marvel Guesthouse at 12:00 hrs on 28 September 2016, and checked out at 14:00 hrs on 2 October 2016. What is her green tax liability?

Since Ms Gianelli was already checked in when green tax from guesthouses came into effect, her check-in time is deemed to be 00:00 hrs on 1 October. If you break down her stay into 24-hour blocks, the first block ends at 00:00 hrs on 2 October. The next block is the block in which she checks out. When you apply the 12-hour rule, Ms Gianelli must pay green tax for that block because she spent 14 hours at the guesthouse.

Hence, Ms Gianelli must pay $6 as green tax.
Resident permit holders

It may be the case that the visa of a resident permit holder had expired when he checked in or expired during his stay. You must not charge him green tax if the visa was valid at the time of check-in, even if it expired before he checked out. However, if the visa had already expired at the time of check-in, you must treat him as a tourist visa holder and charge him green tax for the entire stay, even if he renewed it before he checked out.

Example 4: Resident permit holders

Mr Perera checked in to White Beach Resort at 12:00 hrs on 15 November 2015, and checked out at 12:00 hrs on 18 November 2015. Mr Perera’s work visa expired on 17 November 2015. What is his green tax liability?

Since Mr Perera’s work visa was valid at the time of check-in, he must be treated as a resident permit holder. Therefore, he will not be required to pay green tax for his stay at White Beach Resort, irrespective of the fact that it expired before he checked out.

Stay overs

For stay over guests, green tax payable for the month in which he checked in is based on the time he spent at the establishment during that 24-hour block in which 23:59 hrs of the last day of the month occurred. If the tourist spent 12 hours or more at the establishment from the beginning of that block until 23:59 hrs of the last day of the month, green tax for that block must be paid in that month; if not, it must be paid in the month of check-out if that block is considered as a taxable day under the 12-hour rule.

Example 5: Stay overs

Mrs Smith checked in to White Beach Resort at 18:00 hrs on 29 November 2015, and checked out at 12:00 hrs on 1 December 2015. What is her green tax liability for November and December?

In November, she spends one taxable day at the resort (18:00 hrs on 29 November to 18:00 hrs on 30 November). Since the time between 18:00 hrs and 23:59 hrs on 30 November is less than 12 hours, she is not required to pay green tax for that block in November. Therefore, Mrs Smith must pay $6 as green tax for November.

The second 24-hour block is the block in which she checks out. It is important to note that this block starts from where you left off in November, and not from 00:00 hrs of 1 December – in this case, this block starts from 18:00 hrs of 30 November. When you apply the 12-hour rule, Mrs Smith must pay green tax for that block because she spent 18 hours at the hotel. However, green tax for this block is payable in December. Therefore, Mrs Smith must pay $6 as green tax for December too.
Example 6: Stay overs

Mr Evanoff checked in to Delta Safari at 12:00 hrs on 30 November 2015, and checked out at 12:00 hrs on 1 December 2015. What is his green tax liability for November and December?

Since the time between 12:00 hrs and 23:59 hrs on 30 November is less than 12 hours, Mr Evanoff is not required to pay any green tax for November. However, he must pay $6 as green tax in December because he spent 1 taxable day on the vessel.

Complimentary stays

Tourists staying at the establishment for free or on a complimentary basis must also pay green tax.

Late check-outs

If you allow a guest to check out late, you must record his actual check-out time in your system or documents. His green tax computation must also be based on the actual check-out time.

Flight crew

Flight crew enter the Maldives under a General Declaration (GD) and are not considered as tourists. Therefore, you must not charge green tax from flight crew.

Foreign employees of the establishment

It is possible that the work visa of an employee staying at the establishment or a contract worker carrying on some work at the establishment expires during his stay. You are not required to charge green tax from such persons even if their visa expires. The only situation where you must record their stay and charge green tax is if such person checks in to a room approved by the Ministry of Tourism to accommodate tourists, and his visa had expired at the time of check-in.

Anti-avoidance

A guest who checks out may check in to the same establishment again within 12 hours of check-out. In such cases, his check-out must be disregarded. Instead, he must be considered as having stayed at the establishment continuously until he checks out again. His green tax liability must also be computed based on this assumption.
5. Green tax return and payment

Each resort, hotel, vessel and guesthouse must file a monthly green tax return by the 28th day of the following month, using MIRA 501 (Green Tax Return). The return must be supported by an Information Sheet.

Find out more

Your green tax return and Information Sheet must be filed via our online portal “MIRAconnectPlus”. All green tax related payments must also be paid through this portal, or via the Maldives Real Time Gross Settlement (MRTGS) facility.

Your log-in credentials for the portal will be emailed to you upon registration for green tax. If you are faced with a situation where you are unable to file or pay through the portal or via MRTGS, you may request us to allow you to file and pay “offline”. We will allow you to do so if your circumstances are genuine and exceptional.

Non-filing penalty
If you do not file your green tax return or file it late, you will be required to pay a penalty of 50 Rufiyaa per day and 0.5% of your green tax liability (item 1 on your green tax return) for that period.

Non-payment penalty
If you do not pay your green tax liability or pay it late, you will be required to pay a penalty of 0.05% of the outstanding amount per day.

Amending your green tax return
A resort, hotel, vessel or guesthouse may file an amended green tax return within 12 months from the due date for filing that return. An amended green tax return must be supported by an explanation as to why the amendment is necessary. You must also submit supporting documents, if any, together with the amended return.

If the tax liability declared on an amended green tax return is equal to or higher than the tax liability declared on the most recent green tax return filed by that establishment for that period, we will accept the amended return. However, if the revised tax liability is lower, we
will review it before accepting it. In such cases, the operating license holder of the establishment will be notified in writing that the amended return has been put on hold pending a review. Further, you will not be eligible to claim the credit arising from the amendment until we accept it after the review. The outcome of the review will be communicated to the operating license holder in writing.
6. Foreign tourist vessels

All foreign tourist vessels entering the Maldives are required by law to appoint a local agent to manage its stay in the Maldives. It is the local agent who is responsible for collecting green tax from tourists on board the vessel and paying it to us. It is also the responsibility of the local agent to pay any additional taxes and penalties in respect of that vessel. Consequently and due to the nature of their operations, some of the requirements explained above do not apply to foreign tourist vessels.

This section explains the requirements which are unique to foreign tourist vessels.

Registration

Foreign tourist vessels will be registered for green tax in the name of the local agent of that vessel. We will not issue Green Tax Registration Certificates to local agents. Instead, we will issue a document to the local agent for each voyage under his agentship. The document will include the Taxpayer Identification Number for that particular voyage.

Green tax computation

The 12-hour rule applies to foreign tourist vessels too. However, since foreign tourist vessels are not required to file green tax returns on a monthly basis, there won’t be any stay over guests. Therefore, the computation rules for stay over guests do not apply to foreign tourist vessels.

For the purpose of computing green tax, the check-in time of guests on board a foreign tourist vessel at the time of its arrival in the Maldives is the customs inward clearance time of the vessel. Customs inward clearance time is the time which is officially recorded as the time at which a foreign tourist vessel entered the Maldives, as stated on the Inward Clearance Certificate issued by the Maldives Customs Service.

The check-out time of guests on board a foreign tourist vessel at the time of its departure from the Maldives is the estimated time of departure of the vessel.

The check-in time of guests who board the vessel after its arrival in the Maldives is the time at which the guests board the vessel. The check-out time of guests who disembark the vessel before its departure from the Maldives is the time at which they disembark the vessel.

The local agent of a foreign tourist vessel must maintain records about passenger and crew movements to and from the vessel during its stay in the Maldives.
Crew on board

Crew members on board a foreign tourist vessel enter the Maldives under “crew visa” and are not considered as tourists. Therefore, crew members are not required to pay green tax.

Green tax return and payment

The agent of a foreign tourist vessel must file a green tax return for the entire duration of its stay in the Maldives, using MIRA 502 (Green Tax Return: Foreign Tourist Vessels). The return must be supported by an Information Sheet.

Find out more

Instructions on completing MIRA 502 and the Information Sheet is available at http://bit.ly/2baU00O.

The deadline for filing the return and making payment is the date on which customs outward clearance is granted. Customs outward clearance date is the date which is officially recorded as the date on which a foreign tourist vessel left the Maldives, as stated on the Post Clearance Certificate issued by the Maldives Customs Service.

It is important to note that the return must be filed and payment must be made before the vessel departs from the Maldives. The Maldives Customs Service will not provide outward clearance to the vessel unless the return has been filed and all green tax related payments have been made.

Since the check-out time of guests on board a foreign tourist vessel is the estimated time of departure of the vessel, and because the return must be filed before applying to the Maldives Customs Service for the Post Clearance Certificate, the green tax liability which is initially computed for a foreign tourist vessel is an estimate. It is possible that the actual time of departure is different from the estimated time.

If the actual time of departure is different from the estimated time of departure, and the vessel’s green tax liability is different when you compute it assuming that the check-out time of guests is the actual time of departure, the agent must file an amended green tax return by the next day following its departure from the Maldives. The agent must also pay any additional tax within this duration. Failure to submit an amended green tax return and pay additional tax by the deadline may result in penalties.
7. Not charging GST on green tax

The tax invoices and receipts you issue for the purposes of GST may include an amount of green tax in them. In such cases, you must exclude the amount of green tax included in the transaction before you compute GST. The amount of green tax must be clearly shown on the tax invoice or receipt.

The amount of green tax excluded for the purpose of computing GST must be the correct amount of green tax computed in accordance with applicable laws and regulations.

Further, if you have collected a higher amount of green tax than which is chargeable, or charged it from a guest who is not subject to green tax, you must refund it to the guest; if not, you must pay it to us.
8. Record keeping

In addition to the general record keeping requirements, you must maintain your guest register and guest registration cards for a minimum period of five years. You must also keep copies of identification documents of guests who are not subject to green tax. For Maldivians, this will be their National Identity Card and for resident permit holders, this will be their visa. In the case of flight crew and vessel crew, you must keep a copy of their GD or crew list.

It is not necessary that you maintain your records in hard copy; you may maintain them electronically as long as our electronic record keeping requirements are met.

Find out more

9. Relevant laws, regulations and tax rulings

The following laws, regulations and tax rulings provide the legal basis for the guidelines provided in this guide:
