



Unofficial Translation of

TOURISM GOODS AND SERVICES TAX ACT

In accordance with Article 92 of the Constitution, the "Tourism Goods and Services Tax Bill" passed in the 34th sitting of the 2nd session of the People's Majlis held on Thursday the 26th of August 2010, has become law and has been published in the Government Gazette upon its ratification by the President on Wednesday the 08th of September 2010 (29 *Ramazan* 1431).



TOURISM GOODS AND SERVICES TAX ACT

Introduction and Citation 1. (a) This Act contains the provisions for the imposition of tax by the State on the value of goods and services supplied by tourist resorts, tourist hotels, guest houses, picnic islands and tourist vessels and, on certain other services supplied by places providing services to Tourists in the Maldives.

(b) The Act, herein, shall be cited as the 'Tourism Goods and Services Tax Act'.

Taxation Structure

Taxation Structure 2. Tax, in accordance with this Act, shall be paid to the State, on the value of the following goods and services supplied by tourist resorts, tourist hotels, guest houses, picnic islands and tourist vessels registered in the Maldives, including any other facility established in such places for the supply of services, and on any other service, specified in this Act, supplied to Tourists in the Maldives:-

(a) on the value of rooms sold on tourist resorts, hotels, picnic islands and guest houses;

(b) on the value of rooms or beds sold on tourist vessels;

(c) on the value of all goods sold to Tourists from tourist resorts, hotels, picnic islands, guest houses and tourist vessels and on all other services supplied to Tourists in addition to those services referred to in Sections 2(a) and (b);

(d) on the value of goods and services sold by diving schools, shops, spas, water sports facilities and any other such facilities being operated tourist resorts, hotels, guest houses and tourist vessels;

(e) on the value of services supplied by travel agency service providers to Tourists;

(f) on the value of domestic air and sea transportation services supplied to Tourists.

Overseas transactions 3. The provisions of this Act shall apply irrespective of whether a transaction for the supply of a service referred to in this Act has been concluded overseas provided such service purchased by the Tourist would be supplied from a tourist resort, hotel, guest house or tourist vessel registered and being operated in the Maldives.

- (5) 3.5% (three and half percent) on the value of services supplied by travel agency service providers to Tourists.
 - (6) 3.5% (three and half percent) on the value of domestic air and sea transportation services supplied to Tourists.
- (b) If a tourist vessel has been chartered for a fixed period and a single lump sum has been charged for its charter, then the rate of tax payable under this Section shall be 3.5% (three and half percent) of the charter value.
 - (c) If whole or part of, or a specified number of rooms or a particular bungalow or room of a tourist resort or hotel or picnic island or guest house has been supplied for a certain period at a certain price and where such price is to be paid as a single lump sum, then tax payable under this Section shall be 3.5% (three and half percent) of the total amount charged.

Taxable Period

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| Taxable Period | <p>8. (a) The Taxable Periods, for tourist resorts, hotels, picnic islands, guest houses and tourist vessels registered in the Maldives, and any other facility established in such places for the supply of services, under this Act, shall be determined as follows:-</p> <ul style="list-style-type: none"> (1) once every month, unless otherwise prescribed in this Act; (2) once every 2 (two) months with the approval of the Commissioner General upon application by the registered person requesting to change the Taxable Period; (3) once every 6 (six) months with the approval of the Commissioner General upon application by the registered person requesting to change the Taxable Period. <p>(b) Notwithstanding the provisions in Section 8 (a) (2) and (3), tax shall be payable once every month if the services supplied by a registered person exceeds US\$10,000 (Ten Thousand United States Dollars) per month.</p> <p>(c) The Taxable Period shall end on the last day of the month.</p> |
| Application seeking approval | <p>9. An application seeking approval to change the Taxable Period in accordance with Section 8 shall be made to the Commissioner General, if desired.</p> |

Alignment of Taxable Period with the financial year

10. The Commissioner General shall have the authority to align the end of the last Taxable Period for the year of a registered person with the end of the financial year of such person where the end of such Taxable Period under this Act and the end of the financial year does not coincide.

Matters to be taken into by the Commissioner General

11. (a) The following matters shall be taken into consideration in reaching a decision in respect of an application made by a registered person to the Commissioner General, under Section 9 of this Act, to change the Taxable Period:-

(1) The person's history in filing Tax Returns and paying tax liabilities.

(2) The person's history in submitting financial reports.

(3) The scale of the person's taxable supplies.

(b) Decisions to change a Taxable Period in accordance with this Section by the Commissioner, if any, shall take effect from the end of the Taxable Period during which such change was requested.

Notification of changes to an event determined in this Act

12. (a) Whilst a Taxable Period determined by this Act is in effect, if any of the below mentioned events occur prior to the end of such period, then it shall be reported to the Commissioner General within 30 days of such occurrence:-

(1) Death or bankruptcy of the registered person.

(2) Company passes a resolution or files an application in a court, to dissolve the company or, declares inability to pay-off debts by a registered person either by self or under any laws or, transfers or merges the business of a registered person with another entity in accordance with the law or, ceases to carry out all taxable activities for any reason by the registered person.

(b) Upon the occurrence of an event mentioned in Section 12(a), the end date of the Taxable Period shall be deemed as the date on which the event mentioned in Section 12 (a) (1) and (2) has occurred.

Tax Return

- Tax Returns** 13. Every registered person shall calculate the amount of tax payable for each Taxable Period in accordance with this Act and regulations made pursuant to it, and file their Tax Returns to the Maldives Inland Revenue Authority.
- Deadline for the submission of Tax Returns** 14. Tax Returns required to be filed pursuant to Section 13 of this Act shall be filed on or before the below-mentioned date(s):-
- (a) The 28th day of the subsequent month after the end of the Taxable Period. Or, under the circumstance where the 28th day of such month coincides with a weekend or a Government holiday, then the first day, thereafter, when Government re-opens for business.
 - (b) The date determined by the Commissioner General where the Commissioner General has decided to postpone the date for submission of Tax Returns due to any reasonable grounds.
- Death or cessation of operation of taxpayer** 15. In the event a registered person has deceased or has ceased to carry out all taxable activities, then the part of the Tax Returns for the current Taxable Period up until the time of death or cessation of operations shall be filed by the legally obliged person on or before the 28th day of the subsequent Gregorian month after the end of such Taxable Period.
- Information required in Tax Returns** 16. Tax Returns filed by taxpayers registered under this Act shall contain the following particulars in accordance with a format approved by the Commissioner General:-
- (a) Name, Address, Registration Number, Taxpayer Identification Number (TIN);
 - (b) Taxable Period;
 - (c) Value at which services were sold, the total value of services sold and the tax payable on the services sold;
 - (d) Any other information determined by the Commissioner General.
- Person preparing Tax Returns** 17. Unless proven to the contrary, it shall be presumed that Tax Returns required to be filed under this Act for and on behalf of a person or company has been prepared either by the principal or with the principal's express authorization.

Payment of tax 18. Registered persons shall calculate tax payable in respect of each Taxable Period and pay such tax to the Maldives Inland Revenue Authority before the deadline for filing Tax Returns attributable to that Taxable Period in accordance with the provisions of this Act.

Tax payable as debt 19. Any tax payable under this Act shall be construed as a debt owed to the State. And the Commissioner General shall have the authority to recover such money as a debt due to the State.

Method for calculation of tax

Basis for calculation of tax 20. (a) Unless otherwise prescribed in this Act, the invoice shall be used as a basis for calculating tax payable under this Act.

(b) Notwithstanding the provision in Section 20(a), upon a written request from a registered person, the Commissioner General may approve any of the following bases other than the Invoice Basis for calculating tax payable under this Act provided the conditions in Section 20(c) have been met.

(1) Payment Basis

(2) Hybrid Basis

(c) Approval to calculate tax on a basis other than the Invoice Basis may be granted provided any of the following conditions have been met –

(1) be a Local Council, or any other municipal or Government administration;

(2) be a body supplying services for non-profit;

(3) be a taxpayer whose annual taxable sales is less than US\$50,000 (Fifty Thousand United States Dollars).

Changes to basis for calculating tax 21. (a) Information required by the Commissioner General shall be submitted by registered persons, in accordance with a format determined by the Commissioner General, where the basis for calculating tax has been changed.

(b) Information required under Section 21(a) shall be submitted on or before the final date for filing of Tax Returns for the current Taxable Period.

- Documents to be submitted if basis for calculating tax has changed** 22. Under the circumstance where approval has been granted by the Commissioner General in accordance with Section 20 of this Act to change the basis for calculating tax from Invoice Basis to Payment Basis or vice versa, the registered person shall, thereafter, submit the following documents to the Commissioner General:-
- (a) List of debtors pertaining to the taxable activity and the monetary amounts payable by such debtors by the end of the Taxable Period;
 - (b) Detailed list of debts owed in respect of the taxable activity and the Persons to whom such debts are payable by the end of the Taxable Period.
 - (c) Detailed list of all accrued debt and credit within the Taxable Period, if approval has been granted for calculation of tax on a Hybrid Basis.
- Deductions from tax payable** 23. Any deductions from tax payable, with the exception of those deductions which have been specifically allowed under this Act, shall be made upon an application to, and subsequent decision by, the Commissioner General, that such deductions can be made in accordance with this Act.
- Deductions from tax payable allowed under this Act** 24. In calculating tax payable for any given Taxable Period, the below-mentioned amounts pertaining to services supplied may be deducted from tax payable:-
- (a) The amount of tax corresponding to the value of services supplied to employees of the registered person or employees of Group of Companies to which the company belongs or employees of any other place operated by the company.
 - (b) The amount of tax corresponding to the value of services supplied to persons who have been granted exemption from tax pursuant to any laws.
 - (c) Any other tax payable on the value of goods and services or if any other tax has been included on the invoice, then such amount of tax.
 - (d) Amount, rent or reimbursement paid using money on which tax has already been collected under this Act.

- Deducting a tax amount from a previous Taxable Period in calculating the tax amounts for the current period**
25. The following amounts which have not been deducted in calculating the tax payable during a previous Taxable Period may be deducted in calculating the tax payable for the current Taxable Period:-
- (a) Amount, which has not been deducted due to a dispute.
 - (b) A clear mistake in calculating tax payable.
- Disputed amounts**
26. If a dispute in respect of the value of goods or services supplied has arisen between the registered person and purchaser of such goods or the recipient of such services, then the disputed amount shall be shown by way of a debit or credit note. And upon settlement of such disputes, the disputed amounts may be offset from the tax paid.
- Monies received by way of reimbursement, judgment or award or agreement.**
27. If any tax mentioned in Section 7 of this Act has not been paid at any time before on the value of goods and services supplied by a registered person in respect of monies received as reimbursements, judgments of a court, arbitral awards or settlements of disputed amounts, then such person shall pay tax to the extent of the amount outstanding.
- Amount determined by the Commissioner General in cases of discrepancies**
28. If the Commissioner General has found during an investigation in respect of an assessment of tax payable by a registered person that there exists discrepancies in tax payable by such person, then any amount which falls short shall be considered as tax payable by such person. And, the Commissioner General shall allow the registered person to deduct any amount which is in excess from tax payable in the subsequent Taxable Period.
- Complimentary services**
29. Services provided on a complimentary basis by the registered person during the conduct of his business shall be exempt from tax under this Act. Nonetheless, tax shall be applicable at the usual rates determined for such services where the total value of tax exempted services exceeds 1.5% (one and half percent) of the total value of services supplied by such place, per annum.

Tax Invoice

- Tax Invoice**
30. (a) Except under circumstances where tax has been specifically exempted under this Section, a registered person making a supply of service to a recipient shall at the request of the recipient, provide that recipient within 28 days of the making of that request, with a tax invoice containing the following particulars:-
- (1) "Tax Invoice" has to be written in a prominent manner.

- (2) Name of the supplier of service.
- (3) Name and address of the recipient of service.
- (4) Invoice number
- (5) Date of invoice.
- (6) Details of services.
- (7) The total value; the value, excluding tax; the value of tax charged; and the value, inclusive of tax

(b) It shall be an offence to create more than one tax invoice for a given transaction.

(c) If a recipient of service claims to have lost the original tax invoice, the registered person may make a copy of the tax invoice using his own copy and provide that copy signed and stamped as a copy.

Services supplied to two recipients 31. If a service has been supplied to two recipients and if they are to pay for the service jointly then only a single tax invoice under both their names shall be issued.

Record keeping 32. The registered person shall keep records specified in regulations made pursuant to this Act by the Commissioner General, for a period of 5 years.

Bad Debts 33. Bad Debts in respect of services supplied by a registered person shall only be written off from the books as Bad Debts in accordance with the rules determined by the Commissioner General. And, if Bad Debts have been written off from the books, then tax paid in respect of such Bad Debts may be deducted from the tax payable in the subsequent Taxable Period.

Powers of the Maldives Inland Revenue Authority

Powers of the Maldives Inland Revenue Authority 34. (a) Upon an audit of Accounts of the registered person, in accordance with this Act and regulations made pursuant to this Act, based on information received by the Maldives Inland Revenue Authority or any other believable reason, if it was found that the amount declared as tax payable on Tax Returns is less than the actual amount payable, then the Authority shall give notice to pay the unpaid amount.

- (b) Any notice served pursuant to Section 34(a) shall be in writing. And such notice shall contain the following particulars:-
- (1) Name and address of person in breach.
 - (2) Taxable Period during which the breach occurred.
 - (3) The value, determined by the Maldives Inland Revenue Authority, for the services supplied in the Taxable Period during which the breach occurred.
 - (4) Amount of tax, which have been determined as payable.
- (c) Any tax which has not been paid in accordance with this Section on or before the date it falls due shall be subject to a fine at the rate of 5% (five percent) per annum from the date on which such tax became due till the outstanding amount has been settled.
- (d) A person in receipt of any notice served pursuant to Section 34(a) may object to such notice within 30 days of its receipt. And written objections made under this Section shall state the grounds for objection.
- (e) Upon receipt of a written objection, the Maldives Inland Revenue Authority shall review the concerned assessment.
- (f) A person may be summoned, in writing, by specifying a place and time, and such person may be questioned by the Maldives Inland Revenue Authority, under oath or otherwise, if the Maldives Inland Revenue Authority has reason to believe that a person may be able to give evidence in respect of a disputed tax. However, under this Section, a person shall not be obliged to give any evidence, which he is not otherwise obliged to give in a Court of Law.
- (g) The Maldives Inland Revenue Authority shall review and reach a decision in respect of an objection within a reasonable period of time and shall, soon thereafter, inform the objecting person of such decision.
- (h) A person dissatisfied with a decision made by the Maldives Inland Revenue Authority in accordance with Section 34(g) may file an appeal against such decision with the Tax Appeal Tribunal.

**Audit of
documents and
Accounts**

35. The Maldives Inland Revenue Authority shall have the power and authority to make regulations with regard to maintenance of documents by taxpayers and maintenance, auditing and submission of Accounts by any person who has to file Tax Returns in any given tax year to the Maldives Inland Revenue Authority.

Tax Evasion

Acts of tax evasion or reduction

- (a) The Maldives Inland Revenue Authority shall have the authority to exercise the powers conferred under Section 36(c) under circumstances where reasonable grounds exist for the Maldives Inland Revenue Authority to believe that from the time of enactment of this Act, the fundamental aim or one of the fundamental aims of any transaction has been to evade or reduce tax.
- (b) The above Section 36(a) shall apply irrespective of whether the tax evasion or reduction has been sought as a result of merging two or more transactions or as a result of merging two or more transactions and the dissolution of a company or by creating a new company or by transacting with another person.
- (c) The Maldives Inland Revenue Authority may issue any of the following notices under circumstances where the Authority considers it fair and just to do so:-
- (1) A notice that an amount, which is not more than the amount of tax evaded or reduced in the opinion of the Maldives Inland Revenue Authority, has been assessed as tax;
 - (2) A cancellation notice in respect of a refund of tax paid; or
 - (3) If tax paid has been refunded, then a notice ordering to repay such amounts within a specified period.
- (d) Any person objecting to a notice served by the Maldives Inland Revenue Authority pursuant to Section 36(c) may proceed in accordance with the provisions of Section 34 of this Act.

Registration

Registration

37. (a) Every tourist resort, hotel, picnic island, guest house and tourist vessel, and any other facility established in such places for the supply of services and, any other service provider mentioned in this Act which have been registered in the Maldives when this Act was passed, shall become liable to be registered with the Maldives Inland Revenue Authority as taxpayers under this Act, within 60 (sixty) days from the date of ratification of this Act and its publication in the Government Gazette.

(b) A person who has been registered with any Government authority and has been granted with licenses to operate tourist resorts, hotels, picnic islands, guest houses and tourist vessels and other facilities established therein for the supply of services and any other service providers mentioned in this Act after the date of ratification of this Act and its publication in the Government Gazette, shall become liable to be registered with the Maldives Inland Revenue Authority as taxpayers under this Act, within 30 (thirty) days of being granted with such licenses by the Government authority.

Application to register

38. Persons referred to in section 37(a) and (b) shall apply for registration in order to pay tax, by completing the form prescribed by the Commissioner General, with any particulars as the Commissioner General may require for the purpose of registration.

Providing services mentioned in this Act without registration

39. Any person supplying services referred to in this Act, without having registered themselves as required under this Act, shall be deemed a taxpayer liable to tax similar to a person who has been registered under this Act.

Goods and services supplied after revocation of operating license

40. Any person supplying services referred to in this Act, even after the revocation of their operating license by the relevant Government authority, shall be deemed a taxpayer liable to tax under this Act.

Cessation of services

41. (a) Any person who ceases to carry out all taxable activities referred to in this Act shall inform the Maldives Inland Revenue Authority of that fact within 7 (seven) days and request for removal from the Taxpayer Register by using the prescribed form.

(b) A person who has made an application under Section 41(a) shall be removed from the Taxpayer Register and notified accordingly provided the Commissioner General is satisfied that such person has indeed ceased to carry out all taxable activities.

Notifications to the Maldives Inland Revenue Authority

42. The registered person shall notify the Maldives Inland Revenue Authority of the occurrence of any of the following events within 30 (thirty) days of such occurrence:-

- (a) Changes to name, address, memorandum or articles of association, type or nature of business carried out by the registered person.
- (b) Partnership, merger or creation of any legal relationship with another person who has been registered under this Act.
- (c) Establishment of a company or business consortium in a foreign country consisting of shareholdings or financial interests of a person who has been registered under this Act or, the financial interests of a shareholder or director of such person.

Offences and Penalties

Offences relating to tax evasion

43. (a) This provision shall apply where a Person has committed any of the following acts with the knowledge and intention to evade tax or to facilitate another to evade tax:-
- (1) Failure to file Tax Returns or failure to give any notice or information required under taxation laws; or
 - (2) Falsification of statements or information on any Tax Return; or
 - (3) Giving false answers, either verbally or in writing, to any question asked or information requested in accordance with this Act; or
 - (4) Preparation or maintenance or authorizing the preparation or maintenance of any false accounts related documents or, falsification or authorizing the falsification of any accounts related documents.
- (b) Any Person who commits an act referred to in Section 43(a) shall be guilty of an offence. The penalty for such offence shall be the imposition of a fine not exceeding MVR100,000 (One Hundred Thousand Maldivian Rufiyaa) or, house arrest or imprisonment for a period between 3 (three) and 18 (eighteen) months or, both.
- (c) In addition to the penalties imposed under Section 43(b), any Person who commits an act referred to in Section 43(a) shall be subject to a civil liability of an amount equal to twice the tax due for either the period in which the offence has occurred or the targeted period for the commission of the offence.
- (d) Unless otherwise proven, it shall be deemed that a Person has supplied false information for the purpose of tax evasion where it has been proven during an investigation under this Section that false information has been given, in a Tax Return or any Accounts related documents or any other such documents, by or on behalf of a particular Person.

Offences relating to failure to submit Tax Returns and the submission of incorrect Tax Returns

44. (a) It shall be an offence to intentionally commit any of the following acts:-
- (1) Failure to file Tax Returns or failure to give any information in accordance with this Act and regulations made pursuant to the Act; or
 - (2) Filing an incorrect Tax Return by stating an incorrect figure instead of the actual figure; or
 - (3) Failure to submit Accounts to the Maldives Inland Revenue Authority as prescribed or the submission of Accounts which have not been prepared in accordance with the prescribed standards; or
 - (4) Failure to keep proper records as required by regulations; or
 - (5) Giving incorrect information in relation to any matter or thing, which affects the calculation of tax payable.
- (b) The penalty for an offence under Section 44(a) shall be the imposition of a fine not exceeding MVR500,000 (Five Hundred Thousand Maldivian Rufiyaa) or, house arrest or imprisonment for a period of 6 (six) months or, both.
- (c) In addition to the monetary penalty referred to in Section 44(b), any Person who commits an offence referred to in Section 44(a) shall be liable to a further penalty determined in either of the following ways:-
- (1) where the offence falls within Section 44 (a) (1) or (2) or (3), then an amount equal to twice the amount of tax payable for the Taxable Period which corresponds to those Tax Returns, notices, information or Accounts.
 - (2) where incorrect Tax Returns or information submitted has caused or acceptance as to the correctness of such information would have caused, the calculation of a tax lesser than the actual tax payable by the Person, then an amount equal to twice such amount.

Failure to pay tax and other breaches of the Act

45. As a civil penalty, any person who has failed to pay tax when they fall due:-
- (a) shall pay a fine of 0.10% (zero point one percent) of tax due per day for the first 30 (thirty) days.
 - (b) shall pay a fine of 0.50% (zero point five percent) of tax due per day for the days beyond the first 30 (thirty) days.

Imposition of penalties by the Maldives Inland Revenue Authority	46.	<p>(a) Civil penalties under this Act shall be imposed upon a decision of the Maldives Inland Revenue Authority.</p> <p>(b) If a penalty has been imposed under this Act, then the person who is liable to pay such penalty shall be notified in writing. And the person on whom the notice was served shall have the right of appeal to the Tax Appeal Tribunal within 30 (thirty) days.</p>
Penalties and Appeal	47.	<p>(a) Any penalty imposed under this Act shall be paid in full before the expiry of 30 (thirty) days from the date of notice. Or the person against whom the penalty has been imposed shall file an objection and appeal to the Tax Appeal Tribunal, within that period.</p> <p>(b) For all purposes, any penalty imposed under this Act shall be treated as if it were tax assessed and payable on the due date for payment of the penalized amount.</p> <p>(c) Any penalty imposed under this Act shall be paid in full by its due date, notwithstanding that an appeal has been lodged in respect of a penalty or any sum of tax relating to the penalty. However, if on appeal the penalty has been reduced or cancelled, the Maldives Inland Revenue Authority shall refund all monies paid with regard to the penalty along with an interest of 12% (twelve percent) per annum from the date of payment</p> <p>(d) Any money to be refunded to any person, under Section 47(c), shall only be paid after deducting any money payable by such person under this Act along with its interest from the amount refundable.</p>
Relief from penalties	48.	The Maldives Inland Revenue Authority has the authority, under its own discretion, to reduce penalties, postpone cases or combine cases of breach and to grant partial relief or total amnesty after sentencing.
Make way for criminal prosecution	49.	Provisions in this Act shall not prevent criminal proceedings from being instituted for an offence pursuant to any other laws. However, a Person shall not be prosecuted twice for the same offence.

Period for institution and completion of criminal proceedings	50.	<p>(a) No criminal proceedings can be brought against a Person unless a case has been filed in a Court of Law before the expiry of 2 (two) years from the date of Taxable Period for the alleged commission of a criminal offence under this Act.</p> <p>(b) If the Maldives Inland Revenue Authority was not aware that an offence has been committed or of a case which necessitates the imposition of a penalty of such offence or sufficient evidence was not available to suspect that an offence has been committed, then the 2 (two) year period referred to in Section 50(a) and (b) shall only start from the end of the Taxable Period from the date the Commissioner General became aware of the commission of an offence of sufficient evidence to suspect the commission of an offence was available.</p> <p>(c) Proceedings against any offence involving fraud, willful negligence or evasion of tax may be commenced in a court within 10 (ten) years from the date of alleged commission of such offence.</p> <p>(d) The penalty for an offence, which entails civil liability due to an act or omission, may be imposed within 10 (ten) years from the date of the alleged act or omission, provided such offence involves fraud, willful negligence or evasion of tax.</p>
Committing an act which has been determined an offence under this Act	51.	Unless otherwise specifically prescribed in this Act, the penalty incurred by a Person committing an act which has been determined an offence under this Act or an act which has been prohibited in a regulation made pursuant this Act shall be an amount not exceeding MVR250,000 (Two Hundred and Fifty Thousand Maldivian Rufiyaa) and banishment for a period between 1 (one) year and 3 (three) years.
Interest charged on fines	52.	An interest at the rate of 5% (five percent) per annum shall be charged on every fine imposed under this Act from the date such fine falls due.

Other Provisions

This Act to be read together with the Tax Administration Act	53.	This Act shall be read together with the Tax Administration Act (Act Number 3/2010). And any word or expression defined in the Tax Administration Act, unless the context otherwise requires, shall have the same meaning such word or expression has in the Act contained herein.
Currency for tax payment	54.	Tax, under this Act, shall be paid in United States Dollars or in any other foreign currency, determined by the Commissioner General, that is accepted by the Maldives Monetary Authority.

Commencement of the Act	55.	The commencement date of this Act shall be 01 st January 2011.
Making regulations and administration	56.	<p>(a) Unless otherwise prescribed in this Act, the Maldives Inland Revenue Authority shall make regulations pursuant to this act and shall administer the provisions of this Act.</p> <p>(b) Regulations to be made pursuant to this Act shall be made within 3 (three) months from the date of ratification of this Act and its publication in the Government Gazette.</p>
Definition	57.	<p>(a) Unless otherwise specified in this Act:-</p> <p>“Accounts” refers to Statement of Financial Position, Statement of Comprehensive Income and Notes to Accounts, Directors’ Report, Auditor’s Report, any other documents attached thereto and, therein.</p> <p>“Group of Companies” refers to the parent company and any subsidiary companies controlled by the parent company with a shareholding of not less than 51% (fifty one percent) of shares.</p> <p>“Commissioner General” or “Commissioner” refers to the Commissioner General appointed pursuant to the Tax Administration Act.</p> <p>“Bad Debts” refer to debts written off from the Accounts in accordance with international accounting standards.</p> <p>“Maldives Inland Revenue Authority” refers to the Maldives Inland Revenue Authority established under the Tax Administration Act.</p> <p>“Person” refers to individuals, companies, partnerships, trusts and organizations.</p> <p>“Local Council” refers to atoll councils, island councils, city councils and district councils.</p> <p>“Tax Returns` refers to returns prepared and filed under Section 13 of this Act inclusive of those returns filed after the due date or with amendments.</p> <p>“Taxable Period” refers to the period determined under Section 8 of this Act during which tax is payable.</p> <p>“Tourist” refers to every person, not being a Maldivian, who enters the Maldives and who is not in possession of a “Resident Permit”. A “Resident Permit” is a permit issued by the relevant authorities to individuals, not being a Tourist, to reside in the Maldives.</p>

“TIN” refers to Taxpayer Identification Number assigned to each taxpayer in accordance with the Tax Administration Act.

“Payment Basis” refers to tax calculation based on cash received and paid.

“Invoice Basis” refers to tax calculations based on invoices raised.

“Hybrid Basis” refers to tax calculations part of which is based on invoices raised and part of which is based on the cash received and paid.

- (b) For the purposes of this Act, in phrasing, the singular shall include the plural and the plural shall include the singular.