



DRAFT GREEN TAX REGULATION

1. Introduction and citation

- (a) This Regulation was made pursuant to the authority granted to the Maldives Inland Revenue Authority under Section 36(b) of the Maldives Tourism Act (Law Number 2/99).
- (b) This Regulation shall be cited as the “Green Tax Regulation”.

2. Objective

The objective of this Regulation is to establish policies and procedures with regard to the imposition of Green Tax pursuant to Section 35(g) of the Act.

CHAPTER 1: REGISTRATION

3. Registration for Green Tax

- (a) All tourist resorts, tourist hotels and tourist vessels shall register with MIRA for Green Tax from the date of issue of the operating license granted to that resort, hotel or vessel by the Ministry of Tourism. Such registration shall be made in the name of the person granted with the operating license, and each resort, hotel and vessel shall be registered separately.
- (b) Notwithstanding subsection (a), foreign tourist vessels shall register with MIRA in the name of the local agent of that vessel, appointed in accordance with Section 24(b) of the Act.
- (c) An application under subsection (a) shall be made using MIRA 115 (Green Tax Registration). The application shall be submitted to the Ministry of Tourism together with the application to obtain the operating license.

4. No requirement to re-register existing tourist establishments

Tourist resorts, tourist hotels and tourist vessels registered with MIRA under the Goods and Services Tax Act (Law Number 10/2011) as of 31 October 2015 shall not be required to submit a registration application under Section 3 of this Regulation. MIRA shall register such resorts, hotels and vessels for Green Tax and communicate registration details to the respective operating license holders.

5. TIN

All tourist resorts, tourist hotels and tourist vessels registered under this Regulation shall be allocated a Taxpayer Identification Number (TIN).

6. Deregistration

A deregistration application shall be made by the operating license holder to the Commissioner General, within 15 (fifteen) days from the cancellation or transfer of the operating license of the tourist resort, tourist hotel or tourist vessel.

CHAPTER 2: COMPUTATION OF GREEN TAX

7. Tax computation

For the purposes of Section 35(g) of the Act, the amount of "Green Tax" payable shall be computed on the following basis:

- (a) Green Tax shall be charged from the time the tourist checks in to the tourist resort, tourist hotel or tourist vessel.
- (b) The sum of 6 (six) United States Dollars referred to in Section 35(g) of the Act shall apply to each 24 hours of stay or part thereof, by the tourist at the tourist resort, tourist hotel or tourist vessel, from the time of check in to the establishment, until the time of check out from the establishment.
- (c) For the purposes of subsection (b), in the case of a foreign tourist vessel, the time of check in shall be deemed to be the vessel's "customs inward clearance time" and the time of check out shall be deemed to be the vessel's "customs outward clearance time".
- (d) Where a guest who checks in to a tourist resort, tourist hotel or tourist vessel in a given month ("Month 1") does not check out from the establishment by the end of Month 1, Green Tax payable in respect of his stay for Month 1 shall be computed assuming that the guest checked out from the establishment at 23:59 hrs on the last day of Month 1.

- (e) Where subsection (d) applies, Green Tax payable in respect of his stay for the subsequent month ("Month 2") shall be computed assuming that the guest checked in to the establishment at 00:00 hrs on the first day of Month 2. The tourist resort, tourist hotel or tourist vessel may however make adjustments to the amount of Green Tax payable in Month 2 if such computation results in the payment of a higher amount of Green Tax than the amount that would have been payable for the entire stay of the guest had it been computed without any cut-offs.
- (f) The principles in subsections (d) and (e) shall apply where a guest's stay extends beyond Month 2.
- (g) Subsections (d) to (f) shall not apply to foreign tourist vessels.

CHAPTER 3: FOREIGN TOURIST VESSELS

8. Foreign tourist vessels

- (a) Green Tax shall be collected from every tourist that is on board a foreign tourist vessel which has been granted permission under Section 24 of the Act.
- (b) The local agent of the foreign tourist vessel shall be liable for collecting the tax from the tourists and paying it to MIRA. Any additional taxes and penalties in respect of that vessel shall also be borne by the local agent.

CHAPTER 4: TAX RETURN

9. Tax return

- (a) Every tourist resort, tourist hotel and tourist vessel shall compute its Green Tax liability in accordance with the Act and this Regulation, and file tax returns with MIRA in accordance with this Regulation.
- (b) Tourist resorts, tourist hotels and tourist vessels shall file a tax return for each calendar month, using MIRA 501 (Green Tax Return) form.
- (c) Notwithstanding subsection (b), foreign tourist vessels shall file a return for the duration of stay of the vessel, prior to its departure from the Maldives, using MIRA 502 (Green Tax Return for Foreign Tourist Vessels) form.

10. Signatories to a tax return

Tax returns filed with MIRA by the registered person shall be signed by the registered person or by another person registered with MIRA to sign tax returns on behalf of the registered person.

11. Deadline for filing the tax return

Tax return required to be filed under Section 9(b) of this Regulation shall be filed on or before the 15th day of the subsequent month.

12. Submission of information in relation to tourists

- (a) Every tourist resort, tourist hotel and tourist vessel shall submit an Information Sheet to MIRA together with the Green Tax Return, in a format prescribed by MIRA. The Information Sheet shall contain information about all the guests who stayed at the establishment during the period.
- (b) The Information Sheet shall be prepared on the following basis:
 - (1) Guests shall be listed in numerical order of the guest registration number.
 - (2) It shall include details of all guests who checked in before 23:59 hrs on the last day of the month.
 - (3) Guests who do not check out by the end of the month shall be marked as “stay back”, and such guests shall be entered first in the subsequent month’s Information Sheet under the same registration number.
 - (4) Guest registration number shall be reset to 1 at the beginning of every calendar year.
- (c) The Commissioner General may require a registered person to submit the Information Sheet to MIRA:
 - (1) through MIRA’s online portal; or
 - (2) by email; or
 - (3) on a portable storage device

CHAPTER 5: PAYMENT OF TAX

13. Payment of tax

- (a) Tourist resorts, tourist hotels and tourist vessels shall pay the amount of Green Tax payable for each period, to MIRA on or before the 15th day of the subsequent month.
- (b) Notwithstanding subsection (a), foreign tourist vessels shall pay the amount of Green Tax payable for the duration of stay of the vessel, prior to its departure from the Maldives

14. Currency for payment of tax

Tax payable in accordance with the Act and this Regulation, shall be paid in United States Dollars.

CHAPTER 6: RECORD KEEPING

15. Record keeping

Every registered person shall be required to maintain the following records:

- (a) Guest register;
- (b) Guest registration cards;
- (c) Invoices issued to the guests.

16. Translation to payment currency

- (a) In preparing the tax return of a registered person under Section 9 of this Regulation, the amounts pertaining to transactions in currencies other than United States Dollars, shall be converted to the payment currency by using a rate within $\pm 2\%$ (plus or minus two per cent) of the rate published by the Maldives Monetary Authority, on the date of the transaction.
- (b) The source of the foreign exchange rates adopted by a registered person must be used throughout.
- (c) For the purpose of this Regulation, if the Maldives Monetary Authority has not published a rate for a given date, the reference rate for that date shall be the last published rate prior to that date.

CHAPTER 7: MISCELLANEOUS PROVISIONS

17. This Regulation to be read together with taxation laws

This Regulation shall be read together with the Maldives Tourism Act (Law Number 2/99) and the Tax Administration Act (Law Number 3/2010) and regulations made pursuant to the Acts. Any word or expression not defined in this Regulation, unless the context otherwise requires, shall have the same meaning such word or expression has in those Acts.

18. Commencement of the Regulation

The commencement date of this Regulation shall be the date of its publication in the Government Gazette.

19. Definitions

(a) In this Regulation, unless otherwise specified:

“Act” refers to the Maldives Tourism Act (Law Number 2/99).

“Commissioner General” refers to the Commissioner General of Taxation appointed under the Tax Administration Act (Law Number 3/2010).

“Foreign tourist vessel” refers to vessels referred to in Section 24(a) of the Act.

“Green Tax” refers to the tax imposed pursuant to Section 35(g) of the Act.

(b) For the purpose of this Regulation, singular includes plural and plural includes singular.