



Unofficial translation of the

**SEVENTH AMENDMENT TO THE
TAX ADMINISTRATION
REGULATION**

2023/R-88

DISCLAIMER OF LIABILITY

This is the unofficial translation of the original document in Dhivehi. In the event of conflict between this translation and the Dhivehi version of this document, the latter shall prevail. Therefore, it is advised that both the Dhivehi version of this document and this translation be read concurrently.

SEVENTH AMENDMENT TO THE TAX ADMINISTRATION REGULATION

The Tax Administration Regulation (Regulation Number 2013/R-45) shall be amended as follows:

1. Amend Section 7 of the aforementioned Regulation as follows:

**Penalty for the
offense of non-
registration**

7. Where a person who is required to register under a tax act or regulation fails to register, the civil penalty for the offense shall be a fine of not more than MVR 5,000/- (Five Thousand Rufiyaa), under Section 65 and Section 67 of the Act. The criminal penalty for the offense shall be house arrest of the offender for a period of between 1 (one) and 6 (six) months.

2. Amend the heading of Chapter Two of the aforementioned Regulation as follows:

**CHAPTER TWO: SENDING, SUBMITTING,
AND ACCEPTING DOCUMENTS**

3. Insert new subsections after Section 10(c) of the aforementioned Regulation as follows:

10. (c-1) Documents submitted to MIRA through email by a person registered with MIRA under a tax act or regulation, shall be emailed from the person's email address registered with MIRA.
- (c-2) MIRA shall have the discretion to decline any documents submitted to MIRA via email in a manner that is not in conformity with subsections (b), (c) or (c-1) of this section.

4. Amend Section 10 (d) of the aforementioned Regulation as follows:

10. (d) Notwithstanding subsection (b), (c), and (c-1), tax returns and documents required to be submitted

together with tax returns shall not be accepted if submitted via email, except when permitted by MIRA.

5. Insert a subsection after Section 10(d) of the aforementioned Regulation as follows:

10. (e) The Commissioner General shall have the power to decide that all correspondence from MIRA to taxpayers who meet the conditions determined by MIRA shall only be made by electronic means. For such correspondence, the taxpayer's email address registered with MIRA or the taxpayer's MIRAconnect accounts shall be used.

6. Amend Section 11 of the aforementioned Regulation as follows:

Accepting documents

11. (a) MIRA shall have the discretion not to accept documents submitted to MIRA by taxpayers, which MIRA believes are not complete.
- (b) Where a person is notified by MIRA that a document submitted by that person is incomplete, it shall be deemed that the person has not fulfilled the obligation of submitting that document.

7. Insert a Section after Section 11 of the aforementioned Regulation as follows:

Deemed delivery of documents

- 11-1. (a) Where MIRA sends, via registered post or a courier service, any document to the taxpayer's postal address registered with MIRA as the document delivery address, it shall be deemed that the document has been delivered to the taxpayer.
- (b) Where MIRA emails any document to an email address registered with MIRA by the taxpayer, it shall be deemed that the document has been delivered to the taxpayer.
- (c) Where a document is shared with a taxpayer in such a way that it can be accessed or viewed on the taxpayer's MIRAconnect Primary Account, it shall be deemed that the document has been delivered to the taxpayer.

- (d) Where a document is delivered to a taxpayer via more than one means, it shall be deemed that the document was delivered to the taxpayer on the date on which the document was first delivered.

8. Insert new Sections after Section 13 of the aforementioned Regulation as follows:

Signing documents

- 13-1. Except under the circumstances specified in Section 17(a)(1) and (2) of the Act, for the purpose of Section 17 of the Act, a document signed by an employee of MIRA under authority delegated via the organizational structure of MIRA and its operational procedures, shall be deemed to be a document signed by a person authorized by the Commissioner General.

Notices

- 13-2. All notices referred to in this Regulation shall be served in writing. For the purpose of the Act and this Regulation, communications made via email and MIRAconnect shall be deemed to be written documents.

9. Amend Section 14(b) of the aforementioned Regulations as follows:

14. (b) For the purposes of subsection (a)(7), a substantial shareholder is a person who is the beneficial owner of shares carrying voting rights of not less than 5% (five percent) of the aggregate of such rights.

10. Insert a Section after Section 16 of the aforementioned Regulation as follows:

Penalties for failure to maintain documents and financial accounts

- 16-1. The civil penalty for failure to maintain records as required under Section 27 of the Act and this Chapter shall be a fine not exceeding MVR 5,000/- (Five Thousand Rufiyaa) imposed under Section 65 and Section 67 of the Act. The criminal penalty for the offense shall be house arrest of the offender for a period between 1 (one) and 6 (six) months.

11. Insert a Section after Section 21 of the aforementioned Regulation as follows:

Penalties for failure to submit requested documents

21-1. The civil penalty for failure to comply with a “Document Request Notice” served under Section 31(b) of the Act and Section 20 of this Regulation, or, to comply with a “Third Party Document Request Notice” served under Section 32 of the Act and Section 21 of this Regulation, within the duration specified in such notice for producing the documents, shall be a fine of not more than MVR 50/- (Fifty Rufiyaa) per day of delay, imposed under Section 65 and Section 67 of the Act. The criminal penalty for the offense shall be house arrest of the offender for a period between 1 (one) and 6 (six) months.

12. Amend Section 22(c) of the aforementioned Regulation as follows:

22. (c) Where the audit report issued to the taxpayer under subsection (a) highlights issues that require rectification, the taxpayer shall rectify the issues and notify MIRA of details of such rectifications, or where the issues have not been rectified, the reason for not making such rectification and an estimated date for making such rectification, within 15 (fifteen) days from the date the report was sent or within any other duration determined by the Commissioner General.

13. Amend Section 23(c) of the aforementioned Regulation as follows:

23. (c) Where MIRA makes an assessment for a period in respect of which a taxpayer has not filed a tax return by the due date, the number of days for the purpose of Section 65(b)(2) of the Act shall be counted up to the date of such assessment, and in such cases, the taxpayer shall not file a tax return in respect of that period.

14. Amend Section 26 of the aforementioned Regulation as follows:

Imposition of civil penalties, and recurrence of interest charges on late or unpaid taxes

26. (a) Where MIRA makes an assessment under Section 39 of the Act, and the amount paid by the taxpayer for that audited period is lower than the amount assessed by MIRA, then for the purpose of imposition of civil penalties, the difference shall be deemed to have been

outstanding from the deadline for making the payment.

- (b) Where MIRA makes an assessment under Section 39 of the Act, and the amount paid by the taxpayer for the respective audited period is lower than the amount assessed by MIRA, then the difference shall be deemed to have been outstanding from the deadline for making the payment, and the applicable interest shall continue accruing, pursuant to the tax acts and regulations, from the date of the deadline.

15. Amend Section 39 of the aforementioned Regulation as follows:

Imposition of civil penalties, and recurrence of interest charges

- 39. (a) Even if an objection has been lodged in accordance with the provisions of this Chapter by a taxpayer as regards a decision of MIRA or the Commissioner General, it shall not to any extent preclude the imposition of civil penalties under the Act.
- (b) Even if an objection has been lodged in accordance with the provisions of this Chapter by a taxpayer as regards a decision of MIRA or the Commissioner General, where the amount payable by the taxpayer remains outstanding, the applicable interest shall continue accruing.

16. Amend Section 40(b) of the aforementioned Regulation as follows:

- 40. (b) Where subsection (a) applies, the decision of the Commissioner General or MIRA, which was subject to the objection, shall be deemed to be correct.

17. Amend Section 43 of the aforementioned Regulation as follows:

- 43. The pursuit of actions in accordance with Section 41 of this Regulation or installment arrangements made under Section 42 of this Regulation shall not preclude the imposition of civil penalties under the Act, and the applicable interest shall continue accruing up until the full settlement of the outstanding dues.

18. Amend Section 64-11(a) of the aforementioned Regulation:

**Common
Reporting
Standard Report**

64-11. (a) Persons required to submit information under the Common Reporting Standard shall submit a “Common Reporting Standard Report” consisting of the required information in respect of the calendar year not later than 31st July of the subsequent calendar year.

19. Insert a subsection after subsection 64-11(a) of the aforementioned Regulation as follows:

64-11. (a-1) The report referred to in subsection (a) shall be submitted to MIRA online via the Common Reporting Standard system of MIRA, in a format prescribed by MIRA.

20. Amend Section 68 of the aforementioned Regulation as follows:

Cooperation

68. (a) For the purposes of Section 26(f) of the Act, the provision of full corporation to the Commissioner General and any person or persons appointed by the Commissioner General shall include:

- (1) Providing copies of all records required for an audit or investigation carried out by MIRA and, if required, providing the originals of such records, and facilitating MIRA officers to take copies of such records;
- (2) Providing details of persons with whom the taxpayer communicates, or arranging means of communication between such persons and MIRA;
- (3) Arranging a workstation for MIRA officers to undertake their tasks where MIRA requires visiting the administrative office or business premises of the taxpayer

- (4) Sufficiently responding to questions put forward by MIRA officers and following the instructions given by MIRA officers;
 - (5) Where MIRA wished to examine the records of a person and such records are maintained on an uninhabited island, under circumstances where MIRA requests, arrange the means of transportation for the relevant MIRA officers and facilitate the examination of such records.
- (b) Persons who fail to fully cooperate as specified in subsection (a) shall be liable to a fine not exceeding MVR 2000/- (Two Thousand Rufiyaa).

21. Amend Section 72 of the aforementioned Regulation as follows:

- Death of taxpayer 72.**
- (a) On the occurrence of the death of a taxpayer, the heirs of the deceased shall notify MIRA of the death within 30 days of occurrence and in doing so, present an official document, or a copy of such a document that certifies the death of the taxpayer.
 - (b) The heirs of the deceased shall be responsible for making an application to a court of law for the purpose of determining a person or persons to be in charge of the deceased person's tax obligations, within not more than 60 (sixty) days from the date of the death.
 - (c) MIRA may make an application to a court of law in order to determine a person or persons to be in charge of the deceased person's tax obligations if the heirs of the deceased failed to act in accordance with subsection (b) of this Section.
 - (d) The person responsible for the tax obligations of the deceased shall have all the rights and privileges that would have been accorded to the deceased under the taxation acts had the deceased been alive.

- (e) For the implementation of this Section, MIRA may request the following information from the Department of Judicial Administration and the courts of law.
 - (1) the name, address and national identity card number or passport number of the persons who have applied to a court of law for the purpose of determining the person or persons responsible for the deceased person’s tax obligations under subsection (b), and the case number;
 - (2) the name, address, national identity card number, or passport number of the deceased to whom subsection (e)(1) applies.

22. Repeal Section 73, Section 74, and Section 75 of the aforementioned Regulation:

73. *[Repealed]*

74. *[Repealed]*

75. *[Repealed]*

23. Amend Section 75-2 of the aforementioned Regulation as follows:

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| Repealed tax rulings | <ul style="list-style-type: none"> 75-2. (a) “Tax Ruling number TR-2015/A2 (Submission of documents during the process of an objection review) shall be repealed from the date of effect of the Fourth amendment to the Tax Administration Regulation (Regulation number 2021/R-40). (b) “Tax Ruling number TR-2017/A11 (Registration of individuals and “deemed partnerships” under the Tax Administration Act) shall be repealed from the date of effect of the Seventh amendment to the Tax Administration Regulation (Regulation number 2023/R-88). |
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24. Insert a Section after Section 75-2 of the aforementioned Regulation as follows:

Amending tax rulings 75-3. (a) Paragraph 8 of the Tax Ruling number TR-2017/A12 (Amending tax returns) shall be repealed from the date of effect of the Seventh amendment to the Tax Administration Regulation (Regulation number 2023/R-88).

25. Insert a definition to Section 77 of the aforementioned Regulation as follows:

77. “Department of Judicial Administration” refers to the Department of Judicial Administration established under Section 21-1(a) of the Judicial Service Commission Act (Law number 10/2008).

26. This Regulation shall have effect from the date of its publication in the Government Gazette.