

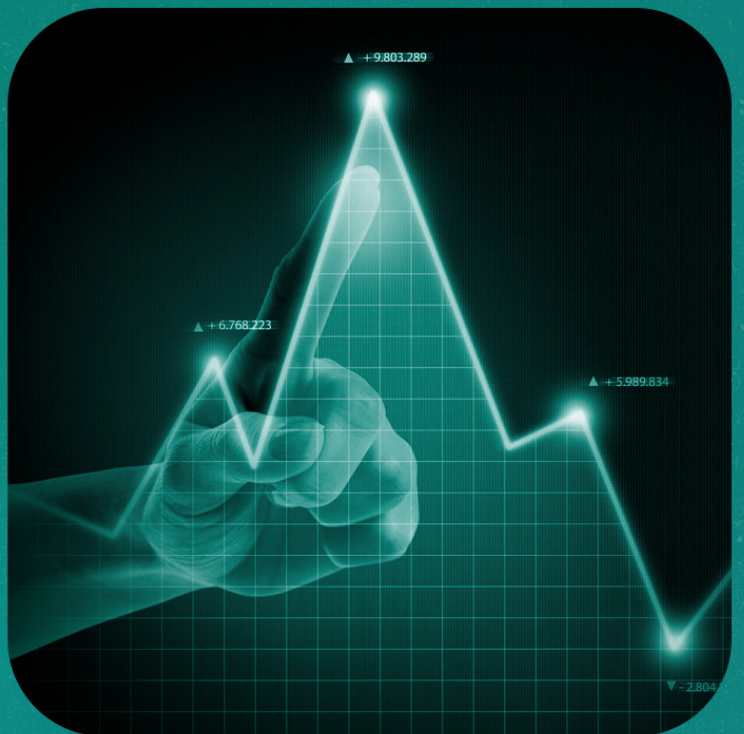


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Employee Withholding Tax Statistics



Volume 12
Number 9
September 2023

www.mira.gov.mv

Employee Withholding Tax Statistics

Maryam Waheed, Senior Tax Officer, Tax Academy

Employee Withholding Tax (EWT) is the portion of remuneration that is held by the employer as a part of the income tax of the employee. Where applicable, payers are required to withhold EWT from the remuneration paid to employees. Taxation on remuneration commenced on 1 April 2020.

Remuneration also includes salaries, wages allowances and benefits received by the employee, whether received in cash or in-kind.

Employers are required to register their employees for EWT if the employee;

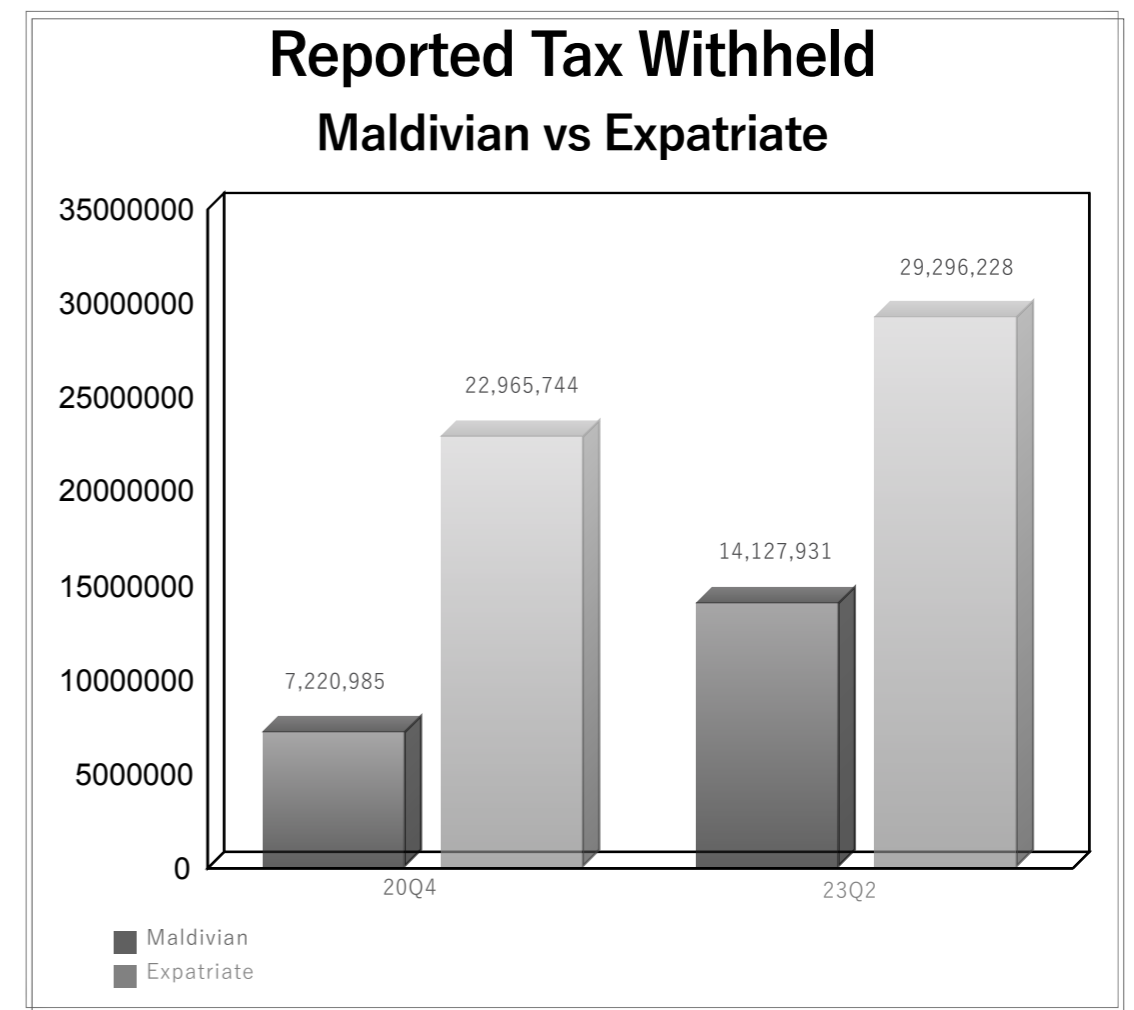
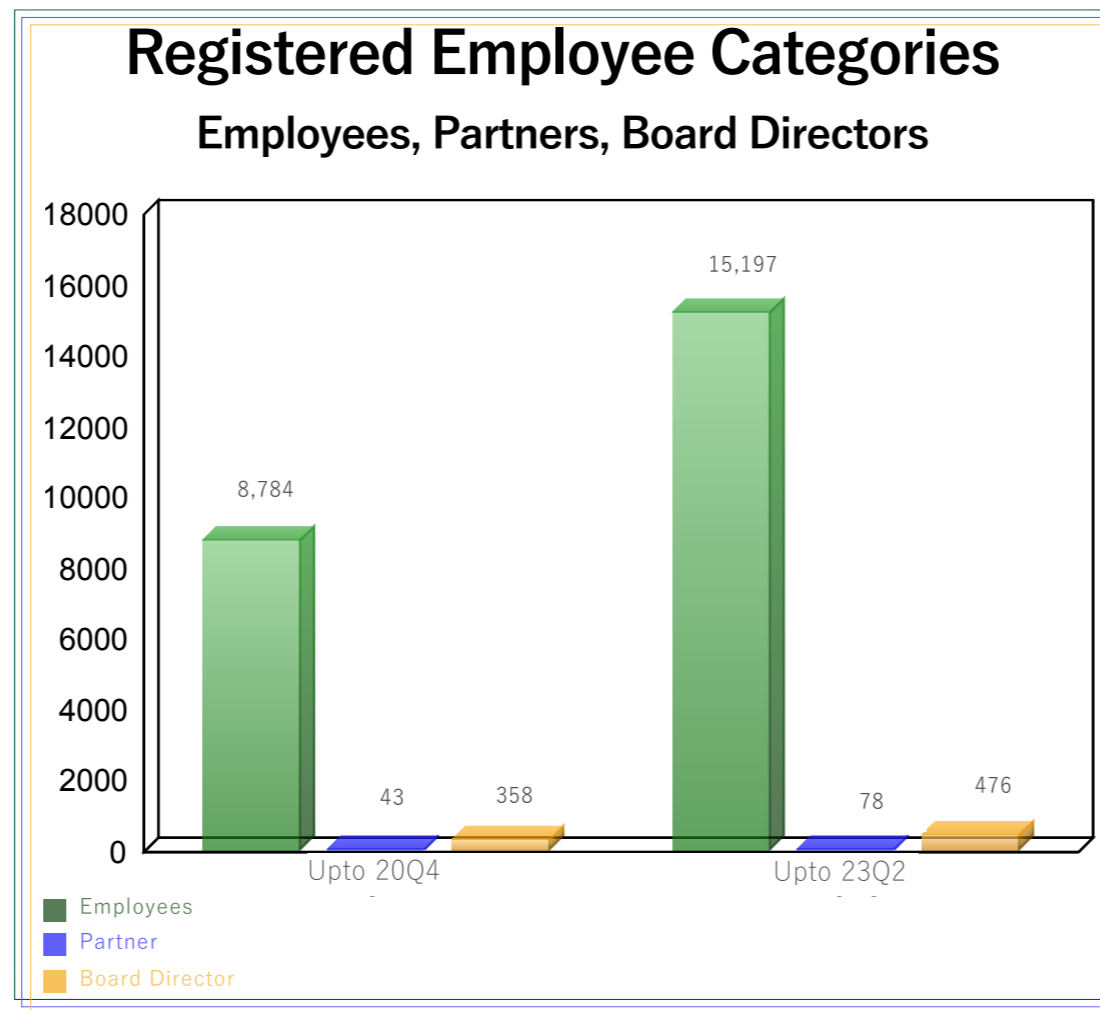
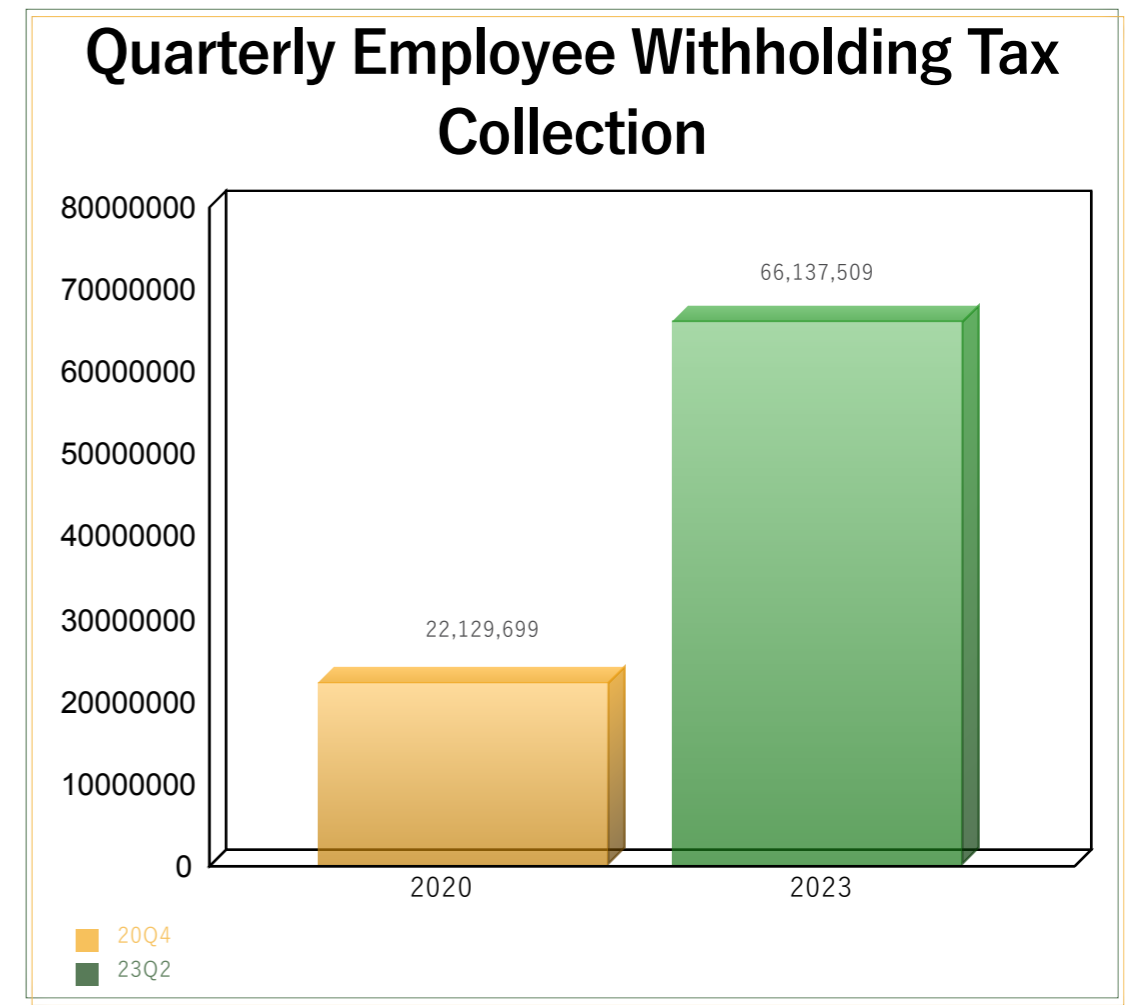
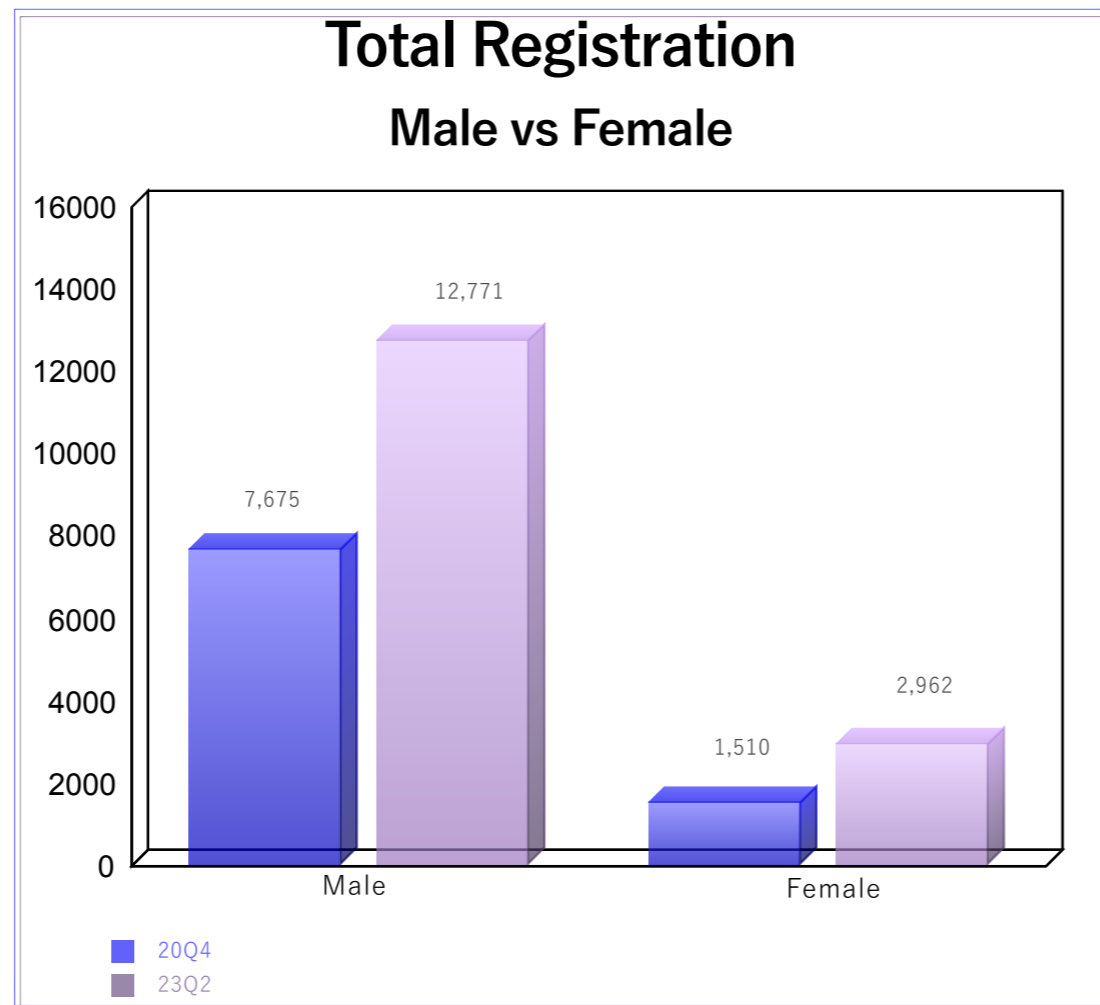
- is estimated to earn an average monthly remuneration exceeding MVR 60,000 in any 12-month period;
- or
- Earns a remuneration exceeding MVR 60,000 in two consecutive months.

Further, if employers are required to register an employee by virtue of meeting one of the above conditions, then they are also required to register all of their employees who earn an average monthly remuneration of MVR 30,000 in a 12-month period.

By the end of 2020, a total of 9,185 employees from 494 employers had registered for EWT. There are 4,624 Maldivians among the registered employees, and 4,561 expats.

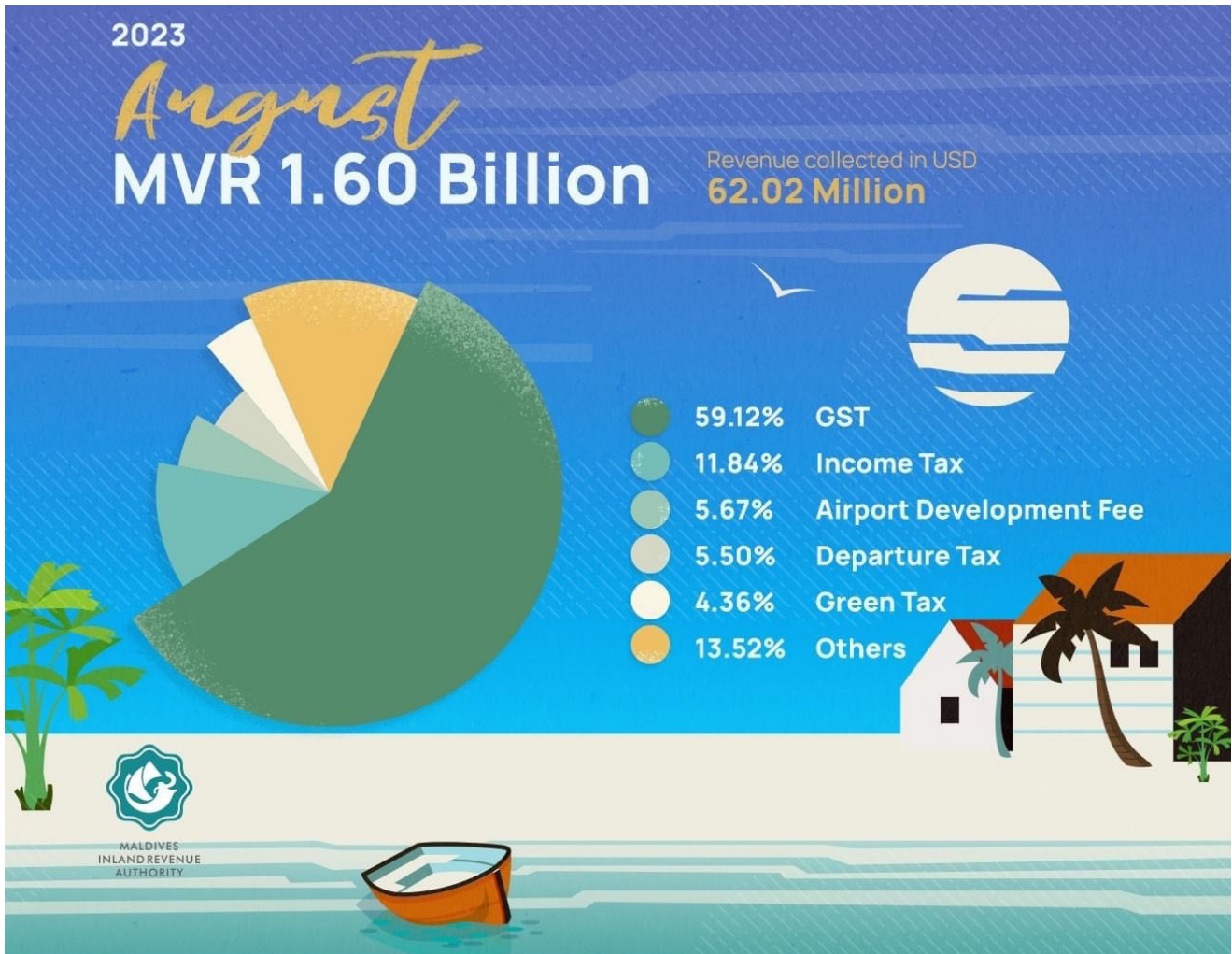
In comparison to 2020, a total of 15,733 employees from 640 employers are registered for EWT by the end of the second quarter of 2023. Out of the registered employees, 6,996 employees are Maldivians and 8,737 employees are expatriates.

MIRA have been publishing these statistics on the website on a quarterly basis. These are important data for the taxpayers and other stakeholders. Some of the key statistics have been highlighted below.



MIRA collects MVR 1.60 billion as revenue in August 2023

Zimaamath Hussain, Tax Officer, Marketing



MIRA collected MVR 1.60 billion as revenue in August 2023. This is an increment of 21.0% compared to the same period last year. However, it is a decrement of 7.7% compared to the forecasted amount for August 2023.

The increment in revenue of August 2023 compared to August 2022 is mainly due to the increment in collection of GGST, TGST, Tourism Land Rent and Airport Tax and Fee. Furthermore, MIRA stated that for August 2023, the percentage of tourist arrival in Maldives increased by 9% which led to a significant increment in collection of revenues from tourism sector compared to August 2022. Additionally, due to the change in GST rate, revenue collected from TGST and GGST incremented compared to August 2022.

Revenue collection decremented the forecasted revenue, mainly due to the decrement in collection of Income Tax,

TGST and Green Tax compared to estimated revenue for August 2023. Moreover, due to the decrease in number of tourist arrival in Maldives by 0.2% than estimated for the month, there is a decrement in revenue collected from Green Tax and TGST for August 2023 compared to projection.

In August 2023, GST accounted for the largest share of revenue received by MIRA. That is 59.12% or MVR 9.43 billion. The next largest revenue was from Income Tax which is 11.84% or MVR 1.88 billion. In addition, Airport Development Fee amounted to MVR 90.4 million (5.67%), Departure Tax amounted to MVR 87.8 million (5.50%), Green Tax amounted to MVR 69.5 million (4.36%), and other taxes and fees amounted to MVR 2.15 billion (13.52%).

Out of the revenue collected in August 2023, USD 62.0 million constitutes the dollar collection.

MIRA 13th anniversary ceremony highlights



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