



MALDIVES
INLAND REVENUE
AUTHORITY

A Comprehensive Guide on the Income Tax Return (MIRA 604)

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List of abbreviations

BA / BC	Balancing Allowance / Balancing Charge
BPT	Business Profit Tax
CCA	Cost Contribution Arrangement
CG	Commissioner General of Taxation
CFE	Controlled Foreign Entities
CUP	Comparable Uncontrolled Price Method
EBITA	Earnings Before Interest Tax Depreciation and Amortization
EWT	Employee Withholding Tax
ITA	Income Tax Act (Law Number 25/2019)
ITR	Income Tax Regulation (Regulation Number 2020/R-21)
MMA	Maldives Monetary Authority
MPAO	Maldives Pension Administration Office
MRPS	Maldives Retirement Pension Scheme
NWT	Non-resident Withholding Tax
OOMV	Ordinary Open Market Value
PE	Permanent Establishment
TIN	Taxpayer Identification Number
TNMM	Transactional Net Margin Method
TPR	Transfer Pricing Regulation (Regulation Number 2020/R-43)

Introduction

1. This is a comprehensive guide on Income Return (MIRA 604) form. Instead of this guide, depending on your circumstances, you may be able to use below guides to complete your Income Tax Return (MIRA 604):
 - [Income Tax Return \(MIRA 604\) instructions for persons deriving only remuneration](#)
 - [Income Tax Return \(MIRA 604\) instructions for persons deriving remunerations and rental income from immovable property \[20% deduction option\]](#)
 - [Income Tax Return \(MIRA 604\) instructions for persons deriving only rental income from immovable property \[20% deduction option\]](#)
2. You must file an income tax return for the year:
 - i. If you are an individual [unless your taxable income was remuneration derived solely from one employer] and;
 - your taxable income for the tax year or previous tax year was more than MVR 720,000 [This figure must be reduced proportionately if the accounting period was shorter than 1 year]; or
 - your gross income for the tax year or previous tax year was more than MVR 2 million [This figure must be reduced proportionately if the accounting period is shorter than 1 year].
 - ii. you are a Company, Partnership or a deemed partnership and;
 - your taxable income for the tax year or previous tax year was more than MVR 500,000 [This figure must be reduced proportionately if the accounting period was shorter than 1 year]; or
 - your gross income for the tax year or previous tax year was more than MVR 2 million [This figure must be reduced proportionately if the accounting period was shorter than 1 year].
3. Your annual income tax return filing and payment is due by 30 June of the following year.
4. If you conduct the transaction in a currency other than your presentation currency, when preparing the income tax return, the amount should be converted to your presentation currency using an exchange rate within $\pm 2\%$ of the rate published by the Maldives Monetary Authority on the day on which you make the payment. If your tax return is prepared in MVR but wishes to pay tax in USD, the exchange rate to be used for the conversion is MVR 15.42 per USD 1.

5. If you are using the fillable version of this form, respective figures will be calculated automatically.

It is an offence to declare false information or fail to include required information in tax returns. The Tax Administrations Act imposes severe penalties for such offences. Willfully declaring false or incorrect information in this tax return with the intent to evade tax is a criminal offence, and MIRA has the power to initiate criminal investigation against such taxpayers where MIRA believes such as offence has been or is being committed.

How to fill the Income Tax Return

Before you start populating the figures, you must fill in the following information in the box on the first page of your return. Please note that it is compulsory for you to fill in all the information specified in the box. Your return will not be accepted if any field in the box is left blank. If a field is not applicable to you, put a dash (-) in the respective box.

- **TIN (Taxpayer Identification Number):** In this box, enter the TIN as shown on the Notification of Income Tax Registration issued to you. Your return will only be accepted with the correct TIN.
- **Taxpayer Name:** In this box, enter the name of the taxpayer as shown on the Notification of Income Tax Registration issued to you. If the taxpayer name does not match the TIN, the return will be rejected.
- **Taxpayer Type (Tick the applicable boxes):** Tick the applicable boxes. If you are a non-resident shipping or aircraft operator who derives income specified in 11(r) of the Income tax Act, tick that box as well and either box “Individual” or “Company/Partnership/Others” as appropriate. In all other cases, tick only one box. If you are using the fillable version of the form, it is crucial that you select the correct type here as what you select here affects how the fillable form automatically does the computations.
- **If you are a company within a group of companies, provide the number of companies in the group liable to income tax (exclusive of you):** If you are company in a group of companies, provide number of companies remaining to which the Income Tax Act applies.
- **Residency Status (Tick the applicable box):** Tick the applicable box. This is your residency status in the tax year to which this return relates.
- **Accounting Period:** This is the start date and end date of the accounting period covered by your return.
- **Auditor Registration Number:** You are required to submit financial statements with this return if you derived business income during the year. Refer to the table shown under the Documents Checklist of this guide to identify the specific financial statements you need to submit with the return. If you derived business income and your total income exceeded MVR 10 million, you must submit the Auditor’s Report with the audited financial statements. If you are a non-resident shipping or aircraft operator in international transportation and your income for the year is solely derived from carrying passengers, livestock, mail, parcel, merchandise or goods you must submit the Auditor’s Report and you’re not required to submit additional financial statements. Enter here the registration number of the auditor who audited

your financial statements. Fill in this box if you were required to appoint an auditor. If not, leave it blank.

- **Industry Code:** Write here the industry code for the industry from which you earned the majority of your income. You must use the relevant industry code from the “Industry Code” list on MIRA’s [website](#).

You can now proceed to complete the remainder of your return. You must complete pages 2 to 16 to the extent applicable before completing the rest of page 1.

Document Checklist

Tick the relevant box as appropriate.

If you are an individual, you are required to submit financial statements only if you derived business income during the year to which the return relates. If you are a person other than an individual, you are deemed to have derived business income. Below table summarizes the financial statement submission requirements.

	Total income above MVR 10m [must use accrual basis]	Total income MVR 10m or below and opting accrual basis	Total income MVR 10m or below and opting cash basis	Only income is rent from immovable property and opts for 20% deduction from immovable property with
Statement of Profit or Loss	✓	✓	✓	✗
Notes to Financial Statements	✓	✓	✓	✗
Statement of Financial Position	✓	✓	✗	✗
Statement of Cash Flows	✓	✓	✗	✗
Statement of Changes in Equity	✓	✓	✗	✗
Auditor's Report	✓	✗	✗	✗
Directors' Report (Companies Only)	✓	✓	✓	✓

If you were a non-resident shipping or aircraft operator in international transportation and your income for the year is solely derived from carrying passengers or livestock or mail or parcels or merchandise or goods on an aircraft or a ship which departs from a place located in the Maldives, you are ONLY required to submit Auditor's report in respect of income specified in section 11(r) of the Act. You're not required to submit an additional financial statement. If you receive above mentioned income along with other source of income, your required to submit required to submit an auditor's report along with the required documents (as per the above table) irrespective of the total income.

If you are a parent company of a group of companies, you are required to submit consolidated financial statement.

If you are claiming a foreign tax credit, you are required to submit supporting documents. Refer to section 72 of the Income Tax Act.

INCOME TAX ASSESSMENT

All legislative references are to the Income Tax Act (Law number 25/2019) and Income Tax Regulation (Regulation Number 2020/R-21), as amended.

Item I: What is the basis of preparing your accounts?

This is the basis of preparing your accounts, pursuant to the section 13 of the Income Tax Act.

- (a) **Accrual basis:** Tick here if your total income for the year was more than MVR 10 million, or it was less than MVR 10 million but you have chosen to prepare your accounts on accrual basis.

Under accrual accounting, income and expenses are recognized when it becomes due regardless of the date of receipt or payment. If accrual basis is adopted, accounts must be prepared in accordance with accounting standards approved by the Commissioner General (CG) (refer to section 122 of ITR).

International accounting standards approved by the CG are:

- International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS)
 - International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs)
 - Accounting and Auditing Organization for Islamic Financial Institutions Standards (AAOIFI)
- (b) **Cash basis:** Tick here if you are exempt from using accrual basis and have chosen to prepare your accounts on cash basis. Under cash basis of accounting, income is recognized when cash is received and expenditure is recognized when cash is paid in that year.

Item II: State your functional currency

Functional currency is the currency of the primary economic environment in which you operate. Functional currency must be determined by applying the principles in International Accounting Standards 21 (The Effects of Changes in Foreign Exchange Rates).

For the tax year ended immediately preceding the tax year to which this tax return relates

- If your functional currency is Maldivian Rufiyaa (MVR), tick Rufiyaa (MVR).
- If your functional currency is a currency other than Maldivian Rufiyaa, tick other and write your functional currency.

For the tax year to which this return relates

- If your functional currency is Maldivian Rufiyaa (MVR), tick Rufiyaa (MVR).
- If your functional currency is a currency other than Maldivian Rufiyaa, tick other and write your functional currency.

Item III: What is your presentation currency?

Presentation currency is the currency in which you prepare this return and financial statements.

If your functional currency is:

- Rufiyaa, then this return and financial statements must be prepared in Rufiyaa.
- Not Rufiyaa, then this return and financial statements must be prepared in in US Dollar.

Item IV : Type of audit opinion

State here the audit opinion expressed in your Auditor's Report. If you tick in (a) to (d) you must provide an auditor registration number in the box on page I. If your annual income was below MVR 10 million, you are not required to submit the Auditor's Report for the purpose of Income Tax.

- (a) **Unqualified:** Tick here if the audit opinion is an unqualified opinion.
- (b) **Qualified:** Tick here if the audit opinion is a qualified opinion.
- (c) **Disclaimer:** Tick here if the audit opinion is a disclaimer opinion.
- (d) **Adverse:** Tick here if the audit opinion is an adverse opinion.
- (e) **Not required to audit:** Tick here if you are not required to audit the financial statements.

Item V: Record keeping

State here how you keep records of your income.

- (a) **Computerized:** Tick here if you are having a fully computerized record keeping system.
- (b) **Semi-computerized:** Tick here if you are using computers only to some extent to maintain your records.
- (c) **Manual:** Tick here if you keep your records manually.

Item VI: Number of employees at the end of the accounting period

Write the number of Maldivian employees and expatriate employees at the end of the accounting period, separately in the spaces provided.

Item VII: Thin capitalization rule

Certain persons are exempt from the thin capitalization rule. If you are any of the person from (a) to (d), then you are exempt from the rule. Tick all that apply to you.

Item VIII: Are you a non-resident shipping or aircraft operator in international transportation, and, is your income for the year solely derived from carrying passengers, livestock, mail, parcels, merchandise or goods (income specified in Section 11(r) of the Income Tax Act)

Select 'YES', if you were a non-resident shipping or aircraft operator in international transportation and your income for the period was solely derived from carrying passengers or livestock or mail or parcels or merchandise or goods on an aircraft or a ship which departs from a place located in the Maldives.

If you selected 'YES', complete the relevant items on this page, skip Sections A and B, and, go to Box 189 in Section C. You are not required to complete Schedule I. You are only required to submit an auditor's report attesting to the reliability of your income. You are not required to submit additional financial documents along with your Income Tax return and auditors report.

Item IX: Is this a special income tax return filed under Section 48 of the ACT and 102-2 of the Regulation?

Select 'Yes', if this is a special income tax return filed under Section 48 of the Act and 102-2 of the Regulation.

Item X: Details of other companies within the group

This table is to be filled ONLY if you are a company in a group of companies. Provide here the details of remaining companies in the group.

- In the first column, write the name of the company.
- In the second column, write the respective company's TIN. If it is not a resident company and the TIN is not available, leave blank.
- In the third column write the country of residence of the company.
- In the fourth column, tick whether or not the company shares the tax threshold with you.

Item XI: Details of financial interest in any shares outside the Maldives

Provide details of all private limited companies and public limited companies in which you hold more than 5% of the voting rights.

- In the first column, write the name and address of the entity in which you hold the interest.
- In the second column, write the country in which the company was incorporated.
- In the third column, write the initial cost of investment in the company by you. Also write the currency of the cost of the investment in the fourth column.
- In the fifth column, write the percentage of your investment in the company

Item XII: Details of immovable property

Immovable property includes property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources, a license or a permit to supply a good or service to the Maldives or any part therein. Ships and aircrafts are not considered as immovable property.

If you are a resident of the Maldives, list all immovable property in and outside the Maldives. If you are a non-resident with a permanent establishment in the Maldives, list all immovable property that relate to your operations in the Maldives.

- In the first column, write the address of the immovable property (omitting the country).
- In the second column, write the country in which the immovable property is located.
- In the third column, write the total cost of the investment in the immovable property.
- In the fourth column, write the currency of the cost of the investment.

You may use additional sheets if necessary.

Item XIII: Details of bank accounts

If you are a resident of the Maldives, provide details of both local and foreign bank accounts, including accounts held jointly.

If you are a non-resident conducting business through a permanent establishment in the Maldives, provide details of bank accounts which are used in your operations in the Maldives only.

- In the first column, write the name of the bank account.
- In the second column, write the bank account number.

- In the third column, write the currency of the bank account.
- In the fourth column, write the name and address of the bank where the account is held.

SECTION A

Complete this section if your total income for the year was derived from any one of the following income types or from any combination of the following income types. If you have any other income type, leave this section blank and go to Section B

- Remuneration
- Gifts and Other Income [“Other Income” here means any other income which does not fall within the definition of remuneration, gifts, rental income, capital gains, and business income. e.g. *interest earned by an individual on a savings account*).
- Renting of immovable property and you are making an election under section 28 of the Income Tax Act.
- Capital gains

You are required to fill ONLY the boxes applicable to you in this section.

TAXABLE INCOME FROM REMUNERATION

Fill item 1 to 8 if you are an individual and you derived income from remuneration.

Item 1: Remuneration

In this box, enter the total remuneration before pension deduction, you received during the tax year. Remuneration includes salary, wages, allowances and benefits derived by you as an employee or director or partner as consideration for services rendered by you, and includes any compensation for loss of employment or service, restrictive covenant payment, and entry or exit inducement payment. Except for non-monetary benefits and allowances specified in the Section 12 of the ITA, all the other allowances and benefits, whether or not paid in a monetary form, must be included in the remuneration.

A guide explaining non-monetary benefits provided to employees is available [here](#).

Item 2: Pension contributions made as an employee to MRPS

In this box, enter the total amount of pension contributions made as an employee to MRPS in the tax year 2021. This information may be retrieved from MPAO online portal.

Item 3: Special clothing required for work (see section 32(b)(3) of the Act)

In this box, enter the amount of total cost incurred for special clothing required for work, which are specifically designed to be worn at work and not suitable to be worn outside of work.

Item 4: Cost of trainings, costs directly related to employment and costs contributing to employment promotions (see section 32(b)(5) of the Act)

In this box, enter the sum of costs incurred for:

- Trainings that are directly related to your employment
- Trainings that are directly related to the performance of your employment
- Trainings that directly contribute to your employment promotion opportunities.

Cost of trainings does not include the cost of your education whether or not it is directly relevant to your employment.

Item 5: Necessary expenses for the performance of employment duties (*Applicable until 20 July 2021*)

In this box, enter the total amount of expenses incurred which is necessary for the performance of your duties of the employment. This does not include cost of commuting to and from your residence and place of work and cost of clothing worn to work.

You can only deduct expenses for the performance of employment duties that were incurred until 20 July 2021. Such expenses that were incurred after 20 July 2021 cannot be deducted.

Item 6: Total deductions before zakat-al-mal and donations

This is sum of boxes 2 to 5.

Item 7: Deductions allowed before zakat-al-mal and donations

In this box, enter the amount in Box 1 or Box 6, whichever is lower. Deductions in earning remuneration will be allowed up to the amount of remuneration received for the year.

Item 8: Taxable income from remuneration before zakat al-mal and donations

To compute the figure, subtract Box 7 from Box 1.

TAXABLE INCOME FROM GIFTS AND OTHER INCOME

Fill in Box 9 to 11 if you derived income in the form of a gift or any other income that do not constitute business income, rental income, remuneration or capital gains. Any gift (excluding

the exempt gift) and other income as defined above must be included in this subsection of the return.

Item 9: Gross amount of gifts before zakat al-mal and donations

This Item is only applicable to individuals.

In this box, enter the value of the gifts received during the tax year, excluding any exempt gift.

Gifts received as below are exempt from Income Tax:

- Gifts received by an individual (up to a maximum of MVR 40,000/- (forty thousand) Rufiyaa per an accounting period). This means, if the total value of the gifts during the accounting period is more than MVR 40,000, the amount that exceeds MVR 40,000 is taxable.
- Gifts received by an individual from a relative
- Wedding gifts [received not more than 30 days before the date of marriage and not more than 30 days after the date of marriage, to the person getting married]
- Gifts received from the State
- Gifts received from a charitable organization approved by the Commissioner General.

Item 10: Other income (other than business income, remuneration and capital gains)

Include in this item, income that does not fall within business income, remuneration, capital gains and gifts. Rental income from lease of immovable property is considered as a business income.

Business income is an income derived from an activity within the definition of “business” which includes trading of goods, manufacturing activities, professional, commercial, technical or personal services and granting rights in relation to movable or immovable property.

Remuneration includes salary, wages, allowances and benefits derived by you as consideration for services rendered, and includes any compensation for loss of employment or service, restrictive covenant payment, and entry or exit inducement payment.

Capital gains are the amounts derived from the disposal of movable, immovable, intellectual or intangible property in respect of which a deduction for capital allowance is not claimed under the Income Tax Act.

Item 11: Total taxable income from gifts and other income before zakat al-mal and donations

This is sum of boxes 9 and 10.

TAXABLE INCOME FROM RENTING OF IMMOVABLE PROPERTY

Fill in Boxes 12 to 14 if you derived rental income from immovable property and you are making an election under section 28 of the Act (i.e. making an election to deduct 20% of the rental income as the deduction against the rental income). You can make this election **ONLY** if you are preparing your accounts on cash basis.

Item 12: Rental Income

In this box, enter the total amount of rental income that you earned during the year from immovable property. This should include the following:

- a) all rental payments received in relation to the immovable property; and
- b) security deposits, advance rental payments and any other payments received in relation to the immovable property, to the extent the lessor of the property has the right to consume part or full payment of it within the tax year; and
- c) all payments received in relation to the rented property not resulting from the responsibilities of the lessee specified in the lease agreement; and
- d) payments received in respect of anything affixed to the immovable property; and
- e) payments received under an insurance policy obtained to compensate for the non-payment of rent; and
- f) any payment received for breach of a lease agreement by the lessee.

Item 13: 20% of rental income

Enter an amount equal to 20% of the amount in Item 12 (Rental Income). To compute this amount, multiply the amount in Item 12 (Rental Income) by 0.20. This is the amount of deduction you will be able to claim against rental income as you have opted to claim deductions under Section 28 of the ITA.

Item 14: Taxable income from renting of immovable property before zakat al-mal and donations and loss relief

Calculate this amount by subtracting Box 13 (20% of rental income) from Box 12 (Rental Income).

TAXABLE INCOME FROM CAPITAL GAINS

Fill this section only if you are an individual. If you are not an individual and have capital gains, leave section A blank, and fill section B.

Item 15: Capital gains derived

In this box, enter the aggregate amount of capital gain derived during the tax year. Do not include gains made exempt under Section 30(e) of the ITA

You may refer to Section 3(k) and 30 of ITA, and chapter 13 of ITR for further details on capital gains.

Item 16: Capital losses incurred

In general, where the cost base of the property exceeds the consideration received on disposal of that property, the excess amount would be a capital loss. In this box, enter the amount of capital loss incurred during the tax year.

You may refer to Section 3(k), Section 30 of ITA and chapter 13 of ITR for further details on capital loss.

Item 17: Capital loss deductible

Capital loss can only be claimed against capital gains. In a tax year, you may claim capital loss incurred in that tax year up to the amount of capital gains made in that year, and any remaining capital loss may be carried forward for another 5 years.

In this box, enter the amount in Item 15 or Item 16, whichever is lower.

Item 18: Capital gains before capital loss relief, zakat al-mal and donations

Calculate this amount by subtracting Box 17 from Box 15. This figure will be the net capital gain/loss for the year.

Item 19: Capital loss brought forward from previous year

In this box, enter the amount of capital loss carried forward from previous tax year(s).

Item 20: Capital loss relief

In this box, enter the amount in Box 18 or Box 19, whichever is lower.

Capital loss carried forward from previous tax year(s) can be set off from the remaining capital gain after deducting the capital loss made in that year on a FIFO basis.

Item 21: Capital gains for the year before zakat al-mal and donations

Calculate this amount by subtracting Box 20 from Box 18.

Item 22: Capital loss for the year available to be carried forward

If the capital loss for the year is more than the capital gains for the year, the excess can be carried forward.

If the amount in Box 16 is greater than Box 17, subtract Box 16 from Box 17. Otherwise, enter zero.

Item 23: Total taxable income from remuneration & gifts & other income, rental of immovable property and capital gains before zakat al-mal, donations and business loss relief

This is the sum of Boxes 8, 11, 14 and 21.

Item 24: Amounts exempt under section 12 of the Act

If your employer has deducted EWT from your remuneration, despite the remuneration not being subject to EWT, and you are submitting this form to claim a refund of the incorrectly deducted amount, write the amount here.

Item 25: Total taxable income from remuneration & gifts & other income, rental of immovable property and capital gains before zakat al-mal, donations and business loss relief

This is the Box 23 minus Box 24.

DEDUCTION OF ZAKAT AL-MAL, DONATIONS AND BUSINESS LOSS RELIEF

Item 26: Total Zakat al-mal paid

Enter the amount of zakat al-mal paid by you to State institution during the year, provided that you possess a receipt that specifies the amount paid as zakat al-mal.

Item 27: Donations made to State institutions and approved charitable organizations

To calculate this figure, first you have to fill in the Statement of Donations to State Institutions and Charitable Organizations on page 15 of the return.

In here, enter the total amount of Column 4 of the aforementioned statement.

How to complete the Statement of Donations is explained on page 33 of this guide.

Complete the table below the Item 27 (Item 28 to 52) to calculate the taxable income after deduction of zakat al-mal, donations and business loss relief.

Item 28: Enter the taxable income from remuneration, gifts & other income before zakat al-mal, donations and loss relief in here. This is sum of Boxes 8 and 11.

Item 29: Enter the taxable income from capital gains before zakat al-mal, donations and loss relief in here. This is the amount in Item 21.

Item 30: Enter the taxable income from rent of immovable property before zakat al-mal, donations and loss relief in here. This is the amount in Item 14.

Item 31: Allocate the amount of zakat al-mal by entering the lower of Box 26 and Box 28.

Item 32: Allocate the amount of zakat al-mal remaining by entering the lower of zakat al-mal remaining (Box 26 minus Box 31) and Box 29.

Item 33: Allocate the amount of zakat al-mal remaining by entering the lower of zakat al-mal remaining (Box 26 minus Boxes 31 and 32) and Box 30.

Item 34: Subtract Box 31 from Box 28 and enter the figure here.

Item 35: Subtract Box 32 from Box 29 and enter the figure here.

Item 36: Subtract Box 33 from Box 30 and enter the figure here.

Item 37: This is the sum of Boxes 34, 35 and 36. This is your taxable income before donation.

Item 38: 5% of taxable income before donations

Deduction for donations is capped at 5% of the taxable income before donation and loss relief. To calculate this cap, multiply Box 37 (taxable income before donation and loss relief) by 0.05 and enter the figure in here.

Item 39: Donations deductible

Enter the amount which is lower of Box 27 and Box 38. This is the maximum amount you can deduct as donation.

Item 40: Allocate the deductible amount of donation by entering here the lower of Box 39 and Box 34.

Item 41: Allocate the remaining deductible amount of donation by entering here the lower of remaining amount of donation deductible (Box 39 minus Box 38) and Box 35.

Item 42: Allocate the remaining deductible amount of donation by entering here the lower of the remaining amount of donation deductible (Box 39 minus Boxes 40 and 41) and Box 36.

Item 43: Subtract Box 40 from Box 34 and enter the figure here.

Item 44: Subtract Box 41 from Box 35 and enter the figure here.

Item 45: Subtract Box 42 from Box 36 and enter the figure here.

Item 46: This is the sum of Boxes 43, 44 and 45. This is your taxable income before loss relief.

Now you may deduct business loss relief by completing rest of the table.

Item 47: In this box, enter the amount of business loss brought forward from previous tax year(s). For the loss to be eligible for loss relief, 5 years must not have elapsed from the end of the accounting period in which the loss was incurred. Loss brought forward from BPT era is also eligible for loss relief in accordance with the section 92 of the ITA. You may refer to the section 33 of Income Tax Act for further details.

Item 48: Amount you deduct as business loss relief should not be greater than the total taxable income before loss relief from rental of immovable property (Box 43). Hence, enter here the amount which is the lower of Box 45 and Box 47.

Item 49: Transfer the amount in Box 43 to here.

Item 50: Transfer the amount in Box 44 to here.

Item 51: Subtract Box 48 from Box 45 and enter the figure here.

Item 52: Add the amounts in Box 49, Box 50 and Box 51 and enter the figure in here. This is the total taxable income for the year.

Amount in Box 52 must be transferred to Box 171 (if you are a person other than an individual) or Box 176 (if you are an individual).

After completing this section, go to Section C to complete the computation of tax liability.

SECTION B

You are required to fill this section if Section A does not apply to you.

Please complete SCHEDULE ONE (Statement of profit or loss and other comprehensive income), before completing Section B.

How to complete SCHEDULE ONE is explained on page 46 of this guide.

Item 53: Total comprehensive income for the period

Transfer the amount in Box 218 in the schedule one.

If you have earned rental income from immovable property and chosen to deduct 20% of your rental income as the deduction against the rental income (the option given under Section 28 of ITA), fill in Items 54 to 57. If not, leave Items 54 to 57 blank and go to Item 58.

Item 54: Rental income

In this box, enter the total amount of rental income that you have earned from rent of immovable property. This should include the following:

- a) all rental payments received in relation to the immovable property; and
- b) security deposits, advance rental payments and any other payments received in relation to the immovable property, to the extent the lessor of the property has the right to consume part or full payment of it within the tax year; and
- c) all payments received in relation to the rented property not resulting from the responsibilities of the lessee specified in the lease agreement; and
- d) payments received in respect of anything affixed to the immovable property; and
- e) payments received under an insurance policy obtained to compensate for the non-payment of rent; and
- f) any payment received for breach of a lease agreement by the lessee.

Item 55: 20% of rental income

Enter an amount equal to 20% of the amount in Item 54 (Rental Income). To compute this amount, multiply the amount in Item 54 (Rental Income) by 0.20. This is the amount of deduction you will be able to claim against rental income as you have opted to claim deductions under Section 28 of the ITA.

Item 56: Expenses incurred to generate rental income

This is the total amount of expenses which are related to your of immovable property rental business. These expenses have already been deducted in arriving at your total comprehensive income for the period in schedule one.

Item 57: Adjustment to total comprehensive income for the period

This is the difference between 20% of your rental income and the expenses incurred to generate the rental income. Calculate this adjustment amount by deducting Item 55 from Item 56. If Item 55 is greater than Item 56, this will be a negative figure.

Deductions not allowed

You MUST NOT include any expense in Items 58 to 84 which have already been included in Item 56.

Item 58 - 84

Items 58 to 84 shows the amounts of accounting expenditure, which are not deductible in calculating your taxable income. Nevertheless, some of these expenses can be deducted subject to restrictions, and such expenses are included under the heading “Deductions allowed”. Fill in Items 58 to 84 by populating the amounts as in your financial statements.

If you have expensed, in the Statement of profit or loss and other comprehensive income, fines or other amounts disallowed under Section 32 (a) (7) of the ITA, add back the amount by including in Item 71.

Also, add back expenditure incurred in deriving income made exempt under section 12 of ITA by including in Item 72, if you have expensed that expenditure in the Statement of profit or loss and other comprehensive income.

Item 75

Excessive compensation as determined by the CG is not deductible as per Section 32(a)(11) of the ITA, hence it must be added back here. The CG has decided through the Section 71 of the ITR that amounts over and above the open market value of a consideration within the ambit of 79(v) of the ITA would be considered as excessive compensation.

Item 80

Add back the expenditure on non-current assets not capitalized.

Item 81

This is the amount transferred from the Statement of Balancing Allowance / Balancing Charge on page 14 of the return.

How to complete the Statement of Balancing Allowance / Balancing Charge is explained on page 44 of this guide.

Item 85: Total deductions not allowed

This item shows the total amount of expenses which cannot be deducted when calculating your taxable income. In this Item, enter the sum of Items 58 to 84.

Deductions allowed (excluding zakat al-mal and donations)

Items 86 to 106 show the amounts deductible in calculating your taxable income. These were the deductions available subject to certain limitations for tax purposes. All the other general expenses which are related to your business have already been deducted when calculating your total comprehensive income for the period.

You must not include any deduction in Items 86 to 105 in respect of expenses incurred to derive rental income from immovable property, if you have made an election under Section 28 of the ITA.

Item 86: Capital allowance

A capital allowance is a tax allowance given to replace accounting depreciation. Depreciation is not an allowable deduction under ITA.

In this box, enter the total amount in your Statement of Capital Allowance. To derive this figure, fill in the Statement of Capital Allowance on page 13.

How to complete the Statement of Capital Allowance is explained on page 43 of this guide.

Item 87: Balancing allowance

Balancing allowance is a deduction allowed (allowance given) for loss on disposal of assets for which capital allowance has been claimed.

In this box, enter the total amount in your Statement of Balancing Allowance/ Balancing Charge. To derive this figure, fill in the Statement of Balancing Allowance / Balancing Charge on page 14 for assets disposed during the accounting period.

How to complete the Statement of Balancing Allowance / Balancing Charge is explained on page 44 of this guide.

Item 88: Allowable head office expenses

You should enter an amount here only if you are a permanent establishment of a non-resident. Head office expense includes expenditure incurred, directly or indirectly, on the permanent establishment in the Maldives by its head office. Deduction for head office expense is capped at 3% of the total income generated from the general course of the business carried on by that permanent establishment.

The maximum amount which you can deduct as head office expense is the lesser of:

- a) The amount of head office expenses deducted when calculating your accounting profit. This is the amount in the Item 59; OR
- b) 3% of the Item 200.

In Item 88, state the lower of Item 59 and 3% of Box 200.

Item 89: Employee welfare expenses allowed under section 20 of the Act

In Item 89, enter the total of expenditure incurred:

- a) for the benefit of an employee who is incapacitated on medical grounds; or
- b) for the benefit of the surviving spouse or child, below the age of 18 (eighteen) years, of a deceased employee; or
- c) as a contribution to a fund established for the benefit of the person's employees, and the fund fully secures the rights of all employees to receive medical or other welfare support; or
- d) for the promotion of general employee welfare without discrimination between employees.

Item 90: Pension contribution to MPRS as an employer

This is the amount you have paid to the Maldives Pension Administration Office (MPAO) as an employer. You must hold a receipt from MPAO to support this amount.

Item 91: Irrecoverable debts relating to transactions entered into after the commencement of the Act or included in the computation of taxable profit under the BPT Act

Enter the amount of irrecoverable debts written off during the accounting period as per section 23 of ITA.

Item 92: Receipts that have been subject to NWT (if you are a permanent establishment of a non-resident)

You should enter an amount here only if you are a permanent establishment of a non-resident, and wish to pay tax on this particular income on gross basis. If you wish to pay tax on this particular income on net basis, that is if the expenses in relation to this income was deducted in calculating the taxable income, you must not enter a figure here. This is the total amount of your income from which NWT has already been deducted by the payer.

Item 93: Interest/finance cost paid/payable to approved banks and institutions

Enter here the amount of interest /finance cost paid to banks and non-banking financial institutions approved by the CG.

List of banks and non-banking financial institutions approved by the CG is available on the website of MIRA.

Interest/finance cost in this case must have been incurred in relation to your business.

Item 94: Interest/finance cost paid/payable to non-approved persons at a rate not exceeding 6% per annum

Enter here the amount of interest/finance cost paid to persons other than banks and non-banking financial institution approved by the CG. Deductions available for such interest is capped at 6% per annum.

Interest/finance cost in this case must have been incurred in relation to your business.

For the purpose of Item 93 and 94, interest paid on finance lease must be included as well.

Item 95: Cost of low-value assets allowed under section 78 of the Regulation

In this Item, enter the total amount deductible as cost of low-value assets as provided for in the section 78 of ITR.

If you are preparing accounts on cash basis, you can deduct the expenditure on cost of low value assets, if the aggregate expenditure on acquisition of asset(s) does not exceed MVR 50,000. Further, if you are using accrual basis for preparing accounts, you can deduct expenditure on non-current assets not capitalized, if the expenditure on the acquisition of an asset together with like assets acquired at the same time as the asset does not exceed MVR 5,000. However, the aggregate of expenditure deducted as non-current assets not capitalized should not exceed MVR 100,000 where the accounts are prepared on accrual basis.

Item 96: Unrealized accounting gains in relation to non-current assets and liabilities

In this box, enter the amount of unrealized gains at the end of your accounting period in relation to non-current assets and liabilities which have been included in arriving at your total comprehensive income.

Item 97: Unrealized accounting gains from valuation of hedging contracts

In this box, enter the amount of unrealized gains at the end of your accounting period in relation to valuation of hedging contracts which have been included in arriving at your total comprehensive income.

Item 98: Gain on disposal of non-current assets

In this box, enter the accounting gains from disposal of non-current assets which have been included in arriving at your total comprehensive income. If the assets disposed were assets for which capital allowance have been claimed, then calculate balancing allowance / balancing charge.

Item 99: Capital gains included in the Statement of Profit or Loss and Other Comprehensive Income

These are the gains derived from assets for which capital allowance was not claimed and such gain have been included in computing total comprehensive income.

Item 100: Provision for unearned income and reversals of expenditure provisions

State here the total amount recorded as income in the Statement of Profit or Loss and Other Comprehensive Income due to provisions for unearned income, and the reversal of previous accounting provisions for expenditure created since 18 July 2011.

Item 101: Directors' / Partners' remuneration

If you are an individual, this Item doesn't apply you.

Enter here the total amount of director's fee/ remuneration paid to the board directors of the company or equivalent paid to the partners of the partnership.

Excessive compensation is not deductible for the purpose of computing the taxable income, as per 32(a) (11) of the ITA. Excessive compensation provision (79 ITA) may apply to the amounts paid to directors and partners. If the amounts paid to directors or partners fall within the definition, the amount entered here could either be exclusive of the excessive compensation portion or the excessive compensation portion can be added in the Item 75.

The amount of excessive compensation is the amount over and above the ordinary open market value (OOMV) of the transaction.

Item 102: Revenue generated from carrying passengers, livestock, mail, etc. as specified under section 11(r) of the Act, included in the Statement of Profit or Loss and Other Comprehensive Income

If you were a non-resident shipping or air aircraft operator in international transportation and your total income included income derived from carrying passengers or livestock or mail or parcels or merchandise or goods on an aircraft or a ship which departs from a place located in the Maldives, then enter that amount here.

Income exempt under section 12 of the Act, included in the Statement of Profit or Loss and Other Comprehensive Income

Item 103: Dividends received from a resident company (if you are a resident)

This Item applies to you only if you are a resident of the Maldives. If you are not a resident, leave this Item blank.

Enter the total amount of dividends from resident companies, which have been included in your total comprehensive income.

Dividends received by a resident of the Maldives from a resident company is exempt from Income Tax.

Item 104: Profits received from a resident partnership (if you are a resident)

This Item applies to you only if you are a resident of the Maldives. If you are not a resident, leave this Item blank.

Enter the total amount of share of profits from a resident partnerships which have been included in your total comprehensive income.

Profits received by a resident of the Maldives from a resident partnership is exempt from Income Tax

Item 105: Other amounts exempt under section 12 of the Act but included in the Statement of Profit or Loss and Other Comprehensive Income

Enter here the amount of income exempt from income tax included in your total comprehensive income, excluding the amounts in Item 103 and Item 104.

Please refer to Section 12 of ITA to identify income exempt from income tax.

Item 106: Other amounts deductible

This is the total of any other amounts deductible in respect of your business income which you have not deducted in arriving at your total comprehensive income.

Item 107: Total amount of deductions allowed

This is the total amount which can be deducted in respect of your business income before the application of the thin capitalization rule, and allowing deductions for zakat al-mal, donations and business loss relief. Calculate this figure by adding up Boxes 86 to 106.

Item 108: Taxable income from business before thin capitalization, zakat al-mal and donations

To calculate this figure, subtract Box 107 from the sum of Boxes 53, 57 and 88.

Interest disallowed under the thin capitalization rule (Section 71 of the Act)

You are not required to complete item 109 to 120 if you are exempt from the thin capitalization rule. You are exempt from the thin capitalization rule if you can tick any one category listed under Item VII on page 2.

If thin capitalization rule applies to you, deduction in relation to your interest expense will be allowed up to 30% of your tax-EBITDA. This rule does not apply to interest paid to:

- MMA licensed banks,
- MMA licensed housing finance businesses,
- MMA licensed finance leasing businesses,
- MMA licensed any other finance businesses,
- MMA licensed insurance businesses.

Please refer to Section 71 of ITA for the rules on thin capitalization rule.

Item 109: Tax-EBITDA

To calculate this figure, add up Boxes 108, 86, 87, 93 and 94. If the answer is negative, enter zero.

Item 110: Interest capacity (30% of tax-EBITDA)

To compute this figure, multiply Item 109 by 0.30. Interest capacity is 30% of your tax-EBITDA.

Item 111: Interest disallowed due to thin capitalization (brought forward from previous year)

If you are filling Income Tax Return 2020, enter here zero.

Interest disallowed in the year 2021 and thereafter can be carried forward for not more than 10 years and deducted against available interest capacity of the future years.

Item 112: Deductible disallowed interest brought forward from previous year

Enter the lower of the amount in Box 110 and Box 111.

Deduction available for interest in any given year is always limited to interest capacity of that year.

(If you are filling Income Tax Return 2020, this will be zero)

Item 113: Interest capacity available for deduction of current year interest

To calculate this figure, subtract Box 110 from Box 112.

Item 114: Interest disallowed before exemptions

To calculate this figure, subtract Box 113 from sum of Box 93 and 94. If the answer is negative, enter zero.

This is the amount of interest disallowed due to the thin capitalization rule before exemptions are applied.

Item 115: Interest/finance cost paid/payable to MMA licensed banks

Enter here the total amount interest/finance cost included in Box 93 which had been paid to MMA licensed banks.

The total amount of interest paid or payable to a bank licensed by MMA can be deductible in full without being subject to the thin capitalization rule.

Item 116: Interest/finance cost paid/payable to MMA licensed housing finance businesses

Enter here the total amount interest/finance cost included in Box 93 which had been paid to MMA licensed housing finance businesses.

The total amount of interest paid or payable to a housing finance company licensed by MMA can be deductible in full without being subject to the thin capitalization rule.

Item 117: Interest/finance cost paid/payable to MMA licensed leasing finance businesses

Enter here the total amount interest/finance cost included in Box 93 which had been paid to MMA licensed leasing finance businesses.

The total amount of interest paid or payable to a leasing finance company licensed by MMA can be deductible in full without being subject to the thin capitalization rule.

Item 118: Interest/finance cost paid/payable to MMA licensed insurance businesses

Enter here the total amount interest/finance cost included in Box 93 which had been paid to MMA licensed insurance businesses.

The total amount of interest paid or payable to an insurance company licensed by MMA can be deductible in full without being subject to the thin capitalization rule.

Item 119: Total amount exempt from thin capitalization

Enter the sum of Boxes 115, 116, 117 and 118.

Item 120: Net interest disallowed under thin capitalization

To calculate this figure, subtract Box 119 from Box 114. If the answer is negative, enter zero.

This is the total amount of current year's interest expense disallowed and the amount that can be carried forward for not more than ten years to be deducted against the interest capacity of the subsequent periods.

Item 121 and Item 122: Taxable income from business before zakat al-mal and donations and business loss relief /Tax loss from business

To calculate this figure, subtract Box 112 from sum of Boxes 108 and 120. If the figure is positive, enter the figure in Box 121. If this figure is a negative, it is a tax loss from business. Enter that amount in Box 122.

TAXABLE INCOME FROM REMUNERATION

Fill in items 123 to 128 if you are an individual and you derived income from remuneration.

Item 123: Remuneration

In this box, enter the total remuneration before pension deduction, you received during the tax year. Remuneration includes salary, wages, allowances and benefits derived by you as an employee or director or partner as consideration for services rendered by you, and includes any compensation for loss of employment or service, restrictive covenant payment, and entry or exit inducement payment. Except for non-monetary benefits and allowances specified in the Section 12 of the ITA, all the other allowances and benefits, whether or not paid in a monetary form, must be included in the remuneration.

A guide explaining non-monetary benefits provided to employees is available [here](#).

Item 124: Pension contributions made as an employee to MRPS

In this box, enter the total amount of pension contributions made as an employee to MRPS in the tax year 2021. This information may be retrieved from MPAO online portal.

Item 125: Special clothing required for work (see section 32(b)(3) of the Act)

In this box, enter the amount of total cost incurred for special clothing required for work, which are specifically designed to be worn at work and not suitable to be worn outside of work.

Item 126: Cost of trainings, costs directly related to employment and costs contributing to employment promotions (see section 32(b)(5) of the Act)

In this box, enter the sum of costs incurred for:

- Trainings that are directly related to your employment.
- Trainings that are directly related to the performance of your employment.
- Trainings that directly contribute to your employment promotion opportunities.

Cost of trainings does not include the cost of your education whether or not it is directly relevant to your employment.

Item 127: Necessary expenses for the performance of employment duties (Applicable until 20 July 2021)

In this box, enter the total amount of expenses incurred which is necessary for the performance of your duties of the employment. This does not include cost of commuting to and from your residence and place of work and cost of clothing worn to work.

You can only deduct expenses for the performance of employment duties that were incurred until 20 July 2021. Such expenses that were incurred after 20 July 2021 cannot be deducted.

Item 128: Taxable income from remuneration before zakat al-mal and donations

To compute the figure, subtract sum of Boxes 124, 125, 126 and 127 from Box 123. If the figure is negative, enter zero.

TAXABLE CAPITAL GAINS

Item 129: Capital gains derived but not included in the Statement of Profit or Loss and Other Comprehensive Income.

In this box, enter the amount of capital gains derived but you have not included in the Statement of Profit or Loss and Other Comprehensive Income.

Item 130: Capital gains derived included in the Statement of Profit or Loss and Other Comprehensive Income (Transferred from Box 99).

Enter the amount in Box 99 here. This is the amount of capital gains derived that included in the Statement of Profit or Loss and Other Comprehensive Income.

Item 131: Capital loss incurred but not included in the Statement of Profit or Loss and Other Comprehensive Income

In this box, enter the amount of capital loss incurred but not included in the Statement of Profit or Loss and Other Comprehensive Income.

Item 132: Loss on disposal of property subject to capital gains tax, included in the Statement of Profit or Loss and Other Comprehensive Income (Transferred from Box 70)

Enter the amount in Box 70 here. This is the amount of Capital loss incurred that you have included in the Statement of Profit or Loss and Other Comprehensive Income.

Item 133: Capital gains before capital loss relief, zakat al-mal and donations

Calculate this amount by deducting sum of Boxes 131 and 132 from sum of Boxes 129 and 130.

Item 134: Capital loss brought forward from previous year

In this box, enter the amount of capital loss carried forward from previous tax year(s).

Item 135: Capital loss relief

In this box, enter the amount in Box 133 or Box 134, whichever is lower. If Box 133 is negative, enter zero.

Item 136 and Item 137: Taxable capital gains before zakat al-mal and donations/Capital loss

Calculate this figure by subtracting Box 135 from Box 133. If this answer is negative, enter the figure in Box 137.

TAXABLE INCOME FROM GIFTS AND OTHER INCOME

Fill in Box 138 to Box 141, if you derived income in the form of a gift or any other income that did not constitute business income, rental income, remuneration or capital gains.

Any gift (excluding the exempt gift) and other income as defined above must be included in this subsection of the return.

Item 138: Gross amount of gifts

This Item is only applicable to individuals.

In this box, enter the value of the gifts received during the tax year, excluding any exempt gift.

Gifts received as below are exempt from Income Tax:

- Gifts received by an individual (up to a maximum of MVR 40,000/- (forty thousand Rufiyaa per an accounting period). This means, if the total value of the gifts during the accounting period is more than MVR 40,000, the amount that exceeds MVR 40,000 is taxable.
- Gifts received by an individual from a relative
- Wedding gifts [received not more than 30 days before the date of marriage and not more than 30 days after the date of marriage, to the person getting married]
- Gifts received from the State
- Gifts received from a charitable organization approved by the Commissioner General.

Item 139: Other income (other than business income, remuneration and capital gains)

Include in this item, income that does not fall within business income, remuneration, capital gains and gifts. Rental income from lease of immovable property is considered as a business income.

Business income is an income derived from an activity within the definition of “business” which includes trading of goods, manufacturing activities, professional, commercial, technical or personal services and granting rights in relation to movable or immovable property.

Remuneration includes salary, wages, allowances and benefits derived by you as consideration for services rendered, and includes any compensation for loss of employment or service, restrictive covenant payment, and entry or exit inducement payment.

Capital gains are the amounts derived from the disposal of movable, immovable, intellectual or intangible property in respect of which a deduction for capital allowance is not claimed under the Income Tax Act.

Item 140: Total taxable income from gifts and other income before zakat al-mal and donations

This is sum of Boxes 138 and 139.

Item 141: Total taxable income before zakat al-mal and donations and business loss relief

This is sum of Boxes 121, 128, 136 and 140.

DEDUCTION OF ZAKAT AL-MAL, DONATIONS AND BUSINESS LOSS RELIEF

Item 142: Total Zakat al-mal paid

Enter the amount of zakat al-mal paid by you to State institution during the year, provided that you possess a receipt that specifies the amount paid as zakat al-mal.

Item 143: Donations made to State institutions and approved charitable organizations

To calculate this figure, first you have to fill in the Statement of Donations to the relevant State Institutions and Charitable Organizations on page 15 of the return.

In here, enter the total amount of Column 4 of the aforementioned statement. If you are using the fillable version, this figure will be transferred automatically.

How to complete the Statement of Donations is explained on page 43 of this guide.

Complete the table below (Item 144 to 170) to calculate the taxable income after deduction of zakat al-mal, donations and business loss relief. If you are using the fillable version, these Items will be filled automatically. Otherwise, follow the steps below.

Item 144: Enter the taxable income from remuneration, gifts & other income before zakat al-mal, donations and loss relief in here. This is sum of Boxes 128 and 140.

Item 145: Enter the taxable income from capital gains before zakat al-mal, donations and loss relief in here. This is the amount in Box 136.

Item 146: Enter the taxable income from business before zakat al-mal, donations and loss relief in here. This is the amount in Box 121.

Item 147: Allocate the amount of zakat al-mal by entering the lower of Box 142 and Box 144.

Item 148: Allocate the amount of zakat al-mal remaining by entering the lower of zakat al-mal remaining (Box 142 minus Box 147) and Box 145.

Item 149: Allocate the amount of zakat al-mal remaining by entering the lower of zakat al-mal remaining (Box 142 minus Boxes 147 and 148) and Box 146.

Item 150: Subtract Box 147 from Box 144 and enter the figure here.

Item 151: Subtract Box 148 from Box 145 and enter the figure here.

Item 152: Subtract Box 149 from Box 146 and enter the figure here.

Item 153: This is the sum of Boxes 150, 151 and 152. This is your taxable income before donation.

Item 154: 5% of taxable income before donations

Deduction for donations is capped at 5% of the taxable income before donation and loss relief.

To calculate this cap, multiply Box 153 by 0.05. Enter the answer in Box 154 and enter the figure in here.

Item 155: Donations deductible

Enter the amount which is lower of Box 143 Box 154. This is the maximum amount you can deduct as donation.

Item 156: Allocate the deductible amount of donation by entering here the lower of Box 155 and Box 150.

Item 157 Allocate the remaining deductible amount of donation by entering here the lower of remaining amount of donation deductible (Box 155 minus Box 156) and Box 151.

Item 158: Enter donation deductible allocated. This is the lower of the remaining amount of donation deductible (Box 155 minus Boxes 156 and 157) and Box 152.

Item 159: Subtract Box 156 from Box 150 and enter the figure here.

Item 160: Subtract Box 157 from Box 151 and enter the figure here.

Item 161: Subtract Box 158 from Box 152 and enter the figure here.

Item 162: This is the sum of Boxes 159, 160 and 161. This is your taxable income before business loss relief.

Now you may deduct business loss relief by completing rest of the table.

Item 163: In this box, enter the amount of business loss brought forward from previous tax year(s). For the loss to be eligible for loss relief, 5 years must not have elapsed from the end of the accounting period in which the loss was incurred. Loss brought forward from BPT era is also eligible for loss relief in accordance with the section 92 of the ITA. You may refer to the section 33 of Income Tax Act for further details.

Item 164: Amount you deduct as business loss relief should not be greater than the total taxable income before loss relief from business income (Box 161). Hence, enter here the amount which is the lower of Boxes 161 and 163.

Item 165: Transfer the amount in Box 159 to here.

Item 166: Transfer the amount in Box 160 to here.

Item 167: Subtract Box 164 from Box 161 and enter the answer in here.

Item 168: Add the amounts in Box 165, Box 166 and Box 167 and enter the figure in here. This is the taxable income for the year before income from CFEs.

Item 169: The amount of taxable income from CFE's attributable to you. This is the amount transferred from Item 6 of the Schedule 5. If you have more than one CFE, you must transfer the aggregate of the figures in Item 6 of each of the sheets of the schedule you submit.

Item 170: In this box, enter the sum of Boxes 168 and 169. This is the taxable income for the year.

Transfer the amount in Box 170 to either Box 171 (if you are a person other than an individual) or to Box 176 (if you are an individual).

Now go to Section C to complete the computation of tax liability.

SECTION C

COMPUTATION OF TAX LIABILITY

I. Tax liability computation for persons other than individuals

This part of the Section C must be filled by persons other than individuals to compute the tax liability. If you are an individual skip this part and go to part 2 (Tax liability computation for individuals) of Section C.

Item 171 – Taxable income for the year

If you have filled the Section A of the tax return, this is the amount in Box 52. If you have filled Section B of the tax return, this is the amount in Box 170.

Item 172 – Size of the tax bracket available at 0%

Size of the tax bracket available at 0% (tax-free bracket) must be calculated based on the formula given on NOTE 3 of the return. i.e.

$$\frac{\text{Number of days in the accounting period}}{365} \times \frac{\text{MVR } 500,000 \text{ or USD } 32,425.42}{A + 1}$$

If you are a company in a group of companies, A is the number of companies in the group (excluding you) which are within the scope of the Income Tax Act.

Item 173 - Amount subjected to tax at 0%

Enter here the lower of Box 171 and Box 172.

Item 174 - Amount subjected to tax at 15%

Subtract the Box 172 from the Box 171, and enter the figure here. If the answer is negative, enter zero.

Item 175 – Tax liability for the year

Multiply the Box 174 by 0.15 and enter the figure here.

Transfer this amount to Item A of page I of the tax return, and go to Item 188 if you are a non-resident who also derives income specified in 11(r) of ITA.

Example 1: Tax liability computation for a person who is not an individual

ABC Pvt Ltd was incorporated on 1 May 2020. Hence, the accounting period for the tax year 2020 was from 1 May 2020 to 31 December 2020 (245 days). Below is the computation of size of the tax bracket at 0% (tax free-threshold). [The company is not a member of a group of companies and hence A=0]

$$\text{Size of tax bracket available at 0\%} = \frac{245}{365} \times 500,000 = 335,616.44$$

Assuming taxable income for the year (amount in Box 169) is MVR 2,400,000, below is how it will divide its taxable income to the two brackets.

SECTION C

COMPUTATION OF TAX LIABILITY

1. Tax liability computation for persons other than individuals

- 171** Taxable income for the year *(Transferred from Box 170 or Box 52)*
- 172** Size of the tax bracket available at 0% *(See Note 3 below)*
- 173** Amount subject to tax at 0% *(Lower of Boxes 171 and 172)*
- 174** Amount subject to tax at 15% *(Box 171 minus Box 172. If the figure is negative, enter zero.)*
- 175** Tax liability for the year *(Multiply Box 174 by 0.15. Go to Box 188 if you are a non-resident deriving income under Section 11(r) of the Act.)*

				2	4	0	0	0	0	0	0	0	0	0	0
				3	3	5	6	1	6	.	4	4			
				3	3	5	6	1	6	.	4	4			
				2	0	6	4	3	8	3	.	5	6		
				3	0	9	6	5	7	.	5	3			

↓
Transfer to **A**

Here is how amount subject to tax at 15% is calculated.

$$\begin{aligned} \text{Item 174} &= 2,400,000.00 - 335,616.44 \\ &= 2,064,383.56 \end{aligned}$$

2. Tax liability computation for individuals

This part is to be filled ONLY if you are an individual.

Item 176 – Taxable income for the year

Total taxable income for the individual, as computed in section A or Section B of the tax return must be entered here. If you have filled the Section A of the tax return, this is the amount in Box 52 and if you have filled Section B of the tax return, this is the amount in Box 170.

Items 177 – 186

Use the formulas stated in Note 4 to calculate the size of tax brackets in items A, B, C and D. If your accounting period is from 1 January to 31 December, the number of days in the accounting period is 365 days. The formulas in Note 4 are:

- If the accounting period starts on the first day of the month, size of the bracket is:

$$\frac{n}{12} \times m$$

- If the accounting period starts on a day other than the first day of a month:

$$\frac{p}{q} \times r + \frac{n-1}{12} \times m$$

- If the accounting period ends on a day other than the last day of a month:

$$\frac{n-1}{12} \times m + \frac{s}{t} \times r$$

- If the accounting period starts on a date other than the first day of a month and ends on a date other than the last day of a month:

$$\frac{p}{q} \times r + \frac{n-2}{12} \times m + \frac{s}{t} \times r$$

Where,

p = Number of days from the start of the accounting period till the end of the month [in which the accounting period starts]

q = Total number of days in the month in which the accounting period starts

r = Full amount of respective monthly tax bracket

n = Number of months in the accounting period

m = Full amount of respective annual tax bracket

s = Number of days from the first day of the month in which the accounting period ends to the date on which the accounting period ends

t = Total number of days in the month in which the accounting period ends

Below is an example, where the first formula above is used to calculate tax brackets and income is allocated to each tax brackets. Brackets are filled starting from the 0% bracket in that order. Maximum amount entered in each tax bracket must not exceed the size of the tax bracket.

Example 2: Tax liability computation for an individual

Fathima had not been registered with MIRA during the BPT regime. Fathima started deriving income when she started a business on 1 April 2020. Hence her accounting period for the tax year 2020 was from 1 May 2020 to 31 December 2020 (275 days). Below is the computation of size of tax brackets available for her.

A. Size of tax bracket available at 0% = $\frac{275}{365} \times 720,000 = 542,465.75$

B. Size of tax bracket available at 5.5% = $\frac{275}{365} \times 480,000 = 361,643.84$

C. Size of tax bracket available at 8% = $\frac{275}{365} \times 600,000 = 452,054.79$

D. Size of tax bracket available at 12% = $\frac{275}{365} \times 600,000 = 452,054.79$

Assuming her taxable income for the year (amount in Box 176) is MVR 4,900,000, below is how she will divide her taxable income to available tax brackets.

Size of tax bracket available at 0%	A →	<input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
Size of tax bracket available at 5.5%	B →	<input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
Size of tax bracket available at 8%	C →	<input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
Size of tax bracket available at 12%	D →	<input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>

Divide the taxable income in Box 176 using the formulae in Note 4, filling each tax bracket starting from the bracket taxed at 0%, in that order. Amounts entered in each tax bracket must not exceed the size of the bracket available.

Taxable Income (Rounded off to two decimals)		Tax Liability (Rounded off to two decimals)	
177 Amount subject to tax at 0%	<input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	→	178 <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/>
179 Amount subject to tax at 5.5%	<input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	→	180 <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
181 Amount subject to tax at 8%	<input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	→	182 <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
183 Amount subject to tax at 12%	<input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	→	184 <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
185 Amount subject to tax at 15%	<input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	→	186 <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
187 Total tax liability for the year (Sum of Boxes 180, 182, 184 and 186. Go to Box 188 if you are a non-resident deriving income under Section 11(r) of the Act)			<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>

↓
Transfer to **A**

Here is how amount subject to tax at 15% is calculated.

$$\begin{aligned} \text{Item 185} &= 4,900,000.00 - (480,000 + 320,000 + 400,000 + 400,000) \\ &= 3,300,000 \end{aligned}$$

Item 187 – Total tax liability for the year

Add up Boxes 180, 182, 184 and 186, and enter the figure in Box 187 and transfer the amount to Item A of page I of the tax return. Go to Item 188 if you are a non-resident who also derives income specified in 11(r) of ITA.

3. TAX LIABILITY IN RESPECT OF INCOME SPECIFIED IN SECTION 11(r) OF THE ACT

You must fill this part only if you are a non-resident shipping or aircraft operator in international transportation deriving income from carrying passengers or livestock or mail or parcels or merchandise or goods on an aircraft or ship that depart from a place located in the Maldives.

Item 188 – Indicate in the boxes below whether you are a resident of Bangladesh applying Article 8 of the DTAA between Maldives and Bangladesh

Tick “Yes” if you are a resident of Bangladesh applying Article 8 of the DTAA between Maldives and Bangladesh. If not, tick “No”.

Item 189 and Item 190 – Total amount of income derived under section 11(r) of the Act

Enter the total amount of income (i.e. Gross income) derived from the Maldives as per Section 11(r) of the ITA including any income exempt under 12(k) or 12(h) of ITA. If the income is from ships enter the amount in Box 189. If the income is from aircraft enter the amount in Box 190.

Item 191 and Item 192-Amount of income exempt under Section 12(k) of the Act included in Box 189 and Box 190

Enter here the amounts included in the Item 189 and Item 190 that are exempt under Section 12(k) of ITA. If the exempted income is from ships enter the amount in Box 191. If the income is from aircraft enter the amount in Box 192.

Item 193 and Item 194-Amount of income exempt under Section 12(h) of the Act included in Box 189 and Box 190

Enter here the amounts included in the Item 189 and Item 190 that are exempt under Section 12(h) of ITA. If full amount or a part of income included in Item 189 and Item 190 is exempt under a tax treaty, enter that amount here. If the exempted income is from ships enter the amount in Box 193. If the income is from aircraft enter the amount in Box 194.

Enter Zero in Box 193 if you have ticked “Yes” in Box 188.

Item 195 and Item 196 – Amount of taxable income derived as under Section 11(r) of the Act

In Box 195, subtract the Box 191 and Box 193 from Box 189, enter the figure.

In Box 196, subtract the Box 192 and Box 194 from Box 190, enter the figure.

Item 197 and Item 198-Tax liability for the year

In Box 197, multiply the Box 195 by 0.02, enter the figure here. If you have ticked “Yes” in the Box 188, multiply Box 195 by 0.01.

In Box 198, multiply Box 196 by 0.02.

Item 199-Total tax liability for the year from income specified in Section 11(r) of the Act

Enter here the sum of Box 197 and Box 198.

COMPUTATION OF INCOME TAX PAYABLE

This is the front page of the Income Tax Return and applicable to all taxpayers.

Item A – Total tax liability

If you are a person other than an individual, enter the figure in Box 175. If you are an individual, enter the figure 187.

Item B – Foreign tax credit

This item is applicable to you if you were a resident of the Maldives for the tax year. If you were a non-resident, enter zero here.

Residents are assessed for tax on income earned from Maldives and abroad. If you have paid tax in a foreign jurisdiction on income sourced outside Maldives and you have included such income in this return including taxable income of CFE attributable to you (i.e. as per schedule five), you may be entitled to a foreign tax credit.

Enter the amount of credit that you want to claim during the tax year as a foreign tax credit in here. If you enter an amount in this box, you must attach explanation and supporting documents and acknowledge submission of these documents in the document checklist in page 2 of the return.

For more information on foreign tax credit, please refer the section 72 of Income Tax Act and chapter 15 of the Income Tax Regulation.

Item C – Tax payable (exclusive of tax payable on income specified in section 11(r) of the Act)

Subtract Box B from Box A and enter the figure here.

Item D – Tax payable for income specified in section 11(r) of the Act

Transfer here the amount in Box 199.

Item E – Total tax payable for the year

This is sum of Box C and Box D.

Item F – EWT deducted by your payer

This item applies to you only if you are an individual deriving income as remuneration.

Persons earning remuneration can deduct the amount employee withholding tax (EWT) deducted by the payer. Enter the sum of EWT deducted by your payer(s) during the tax year. This can be retrieved from your salary slips or from MIRAconnect.

EWT amount deducted must be the amount remaining after you have claimed in “EWT deducted by your payer” for your interim return (MIRA 603).

Item G - NWT deducted by your payer

This item applies to you only if you are a non-resident doing business in the Maldives through a PE.

If you want to deduct the amount of NWT that your payer has deducted from the payments paid to you during the tax year, you can enter that amount here.

Item H - CGWT deducted by withholding agent

If you want to deduct the amount of CGWT (Capital Gain Withholding Tax) that your payer has deducted from the payments paid to you during the tax year, you can enter that amount here. You may refer to section 50-I of Income Tax Act for more details of CGWT.

Item I – First interim payment

Enter the amount due as your first interim payment for the year. This is the amount generated in the item 3 or item 13 of your Interim return (MIRA 603). If not, enter ZERO here.

Item J – Second interim payment

Enter the amount due as your second interim payment for the year. This is the amount generated in the item 3 or item 13 of your Interim return (MIRA 603). If not, enter ZERO here.

Item K – Income tax paid in excess to date

Enter the total income tax excess including refunds and payments to date

Item L – BPT paid in excess to date

Enter zero if this is your first tax year. If this is not your first tax year, you can enter the amount paid in excess as BPT to date.

Item M – Final payment

This is the amount you must pay as your final payment. To compute this figure, deduct amounts in Items F, G, H, I, J, K and L from Item E.

Item N – Amount being paid

This is the amount of tax that you are paying at the time of filing this return.

Declaration

This declaration must be completed by ALL taxpayers.

If you are filing your return “offline”, it must be signed by the taxpayer or an authorized signatory registered with MIRA. The managing director of a company, managing partner of a partnership or the owner of a sole proprietorship can sign the return.

For office use only

This section is for our use. Do not write anything in this green box.

STATEMENT OF CAPITAL ALLOWANCE

This is the statement on page 13 of the return. If you are claiming a capital allowance (Item 86), you must first fill in this statement.

You must calculate the amounts referred to in the Statement of Capital Allowance for each individual asset separately and enter the total amounts for each asset category.

- **Column 2: Cost of assets:** When calculating the aggregate amount to enter here, add up the cost of the assets which have positive written down value on the commencement of the accounting period and cost of assets acquired during the accounting period (which have been used for more than half of the accounting period), and subtract cost of assets disposed during the accounting period.
- **Column 3: Capital allowance at cost:** This is the capital allowance per annum based on the capital allowance rates. Again, calculate the values of individual assets and enter aggregates here. Below instructions apply only when are you calculating for a single asset.
 - a) **For tangible assets:** Column 1 multiplied by column 2.
 - b) **For intangible assets:** Cost price of the intangible asset divided by its estimated useful life (in years). If an intangible asset has an indefinite useful life, the useful life of the asset must be deemed as 10 (ten) years.
 - c) **For reclamation of land:** Expenditure incurred on land reclamation divided by lease period (in years) or 25 years, whichever is the greater.
- **Column 4: Notional adjustment:** Notional adjustment to the cost of the assets held at the date of commencement of the Act of which the cost had not been determined under the BPT Regulation.
- **Column 5: Accumulated capital allowance claimed:** Capital allowance claimed for the preceding tax years. Capital allowance claimed under the BPT Act and depreciation claimed under the Bank Profit Tax Act can be deemed as capital allowance claimed for the preceding tax years.

- **Column 6: Written down value:** This is the cost of the asset (Column 2) minus the notional adjustment (Column 4) and accumulated capital allowance claimed (Column 5).
- **Column 7: Claimable capital allowance:** This is the lower of:
 - a) Capital allowance at cost (Column 3), and
 - b) Written down value (Column 6).

After entering the aggregate amounts in column 7, sum-up the figures in column 7 and enter in the TOTAL box, and transfer that amount to Item 86.

STATEMENT OF BALANCING ALLOWANCE / BALANCING CHARGE

This is the statement on page 14 of the return. If you disposed of an asset during the year, for which capital allowance had been claimed, you must fill in this statement.

The amounts for each column must first be calculated separately for individual assets and the sum for the category must be posted in each column of the statement in the return. Do NOT sum up the value for each category of asset before making the calculations separately for individual assets, as it would distort the balancing allowance / balancing charge figure.

- **Column 8: Cost of disposed assets:** This is the actual cost of the asset disposed.
- **Column 9: Accumulated capital allowance claimed for the disposed asset:** This is the accumulated capital allowance claimed after the date of commencement of the BPT Act (18 July 2011)
- **Column 10: Written down value:** This is the tax written down value of the asset. Subtract accumulated capital allowance (notional adjustment plus capital allowance claimed for the preceding years) from the cost of the asset.
- **Column 11: Disposal value:** This is the proceeds from disposal of the asset, i.e. the consideration from the sale of the asset less expenses directly related to the sale of the asset.
- **Column 12: Gain/loss on disposal:** This is the disposal value of the asset (Column 11) minus the written down value of asset (Column 10).
- **Column 13: Capital gain:** This is the disposal value of the asset (Column 11) minus the cost of the disposed asset (Column 8). If the answer is negative, enter zero.
- **Column 14: Balancing charge / balancing allowance:** This is the amount of capital gain (Column 13) plus lower of the accumulated capital allowance claimed for the disposed asset (Column 9) and the gain/loss on disposal of the asset (Column 12). If the answer

is positive, enter the amount as a balancing charge in Column 14.1. If the answer is negative, enter the amount as a balancing allowance in Column 14.2 (please remove the negative sign before doing so).

Total column 14.1 and transfer the figure to Item 81. Total column 14.2 and transfer the figure to Item 87.

STATEMENT OF DONATIONS TO STATE INSTITUTIONS AND APPROVED CHARITABLE ORGANIZATIONS

This is the statement on page 15 of the return. If you made a donation during the year to a State institution or a charitable organization approved by CG, and wish to claim a deduction for the donation, you must fill in this statement before entering a figure in Item 27 or Item 143.

- **Column 1: Date of donation:** This is the date on which you made the donation.
- **Column 2: Name of donee:** This is the name of the State institution or charitable organization approved by CG, to which you made the donation.
- **Column 3: Details of donation:** In this column write “Cash”, if the donation was made in money. If the donation was made in kind, write the details of the assets which you donated, including the date of acquisition of the asset and the type of asset.
- **Column 4: Amount of donation:** If the donation was made in money, enter the amount of your donation. If the donation was made in kind, enter the cost of the asset you have donated.

If there is not enough space in the Statement of Donations, you may use additional sheets. Enter the total amount of donations on the additional sheets in Row 15, Column 4.

Total column 4 and transfer the total amount to 27 (if you are completing Section A) or Item 143 (if you are completing Section B).

SCHEDULE ONE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

This schedule must be completed before attempting to complete section B

This schedule must be completed by ALL persons who carried on business during the year, except those who earned only rental income from immovable property and chose to make the election under the Section 28 of the ITA (20% deduction option). If you receive rental income, it should be included under “other income”.

This statement corresponds to the figures in the Statement of profit or loss and other comprehensive income (SPLOCI) prepared for the accounting period for accounting purposes. Enter the relevant and corresponding figures from your SPLOCI in each Item in this section. In box 210, enter related party expenses other than expenses included in box 206, box 207, box 208, box 209, box 211, box 212, and box 213. Related party transactions are transaction made with associates defined in [section 79 \(ss\)](#) of ITA.

After completing this section, please go back to page 7 for Section B.

Schedules 2-5 are also parts of the Income Tax Return (MIRA 604), and if you are required to submit any of the schedules, your return will be complete only upon submission of that schedule.

SCHEDULE TWO

STATEMENT OF FINANCIAL POSITION

This schedule must be completed by ALL persons carrying on business and preparing accounts on accrual basis.

This statement corresponds to the statement of financial position prepared for the accounting period for accounting purposes.

SCHEDULE THREE

STATEMENT OF NET WORTH EXCLUDING BUSINESS (INDIVIDUALS ONLY)

Individuals earning a gross annual income, including business income and other income in excess of MVR 20 million are required to fill the statement of net worth.

In this schedule, do NOT include any business asset or liabilities if it is used in the business carried under individual. Personal assets and liabilities of the individual including personal guarantees must be declared in the statement.

Value of the assets and liabilities of the individual must be estimated and entered in the relevant box. Where relevant, if any asset jointly owned or jointly responsible for any liability, value of the asset or liability attributable to the individual for his share must be entered.

SCHEDULE FOUR

REPORTING OF INTERNATIONAL TRANSACTIONS WITH ASSOCIATES

This schedule needs to be filled only if one or more of the following conditions apply to you. Tick all the conditions applicable to you.

- You had an associate which was resident in a jurisdiction other than Maldives
- You derived income from business carried out through permanent establishment in Maldives
- You derived income from a business carried out through a permanent establishment in a jurisdiction other than Maldives
- You are formed or incorporated in a country other than Maldives (irrespective of whether or not you are re-registered in Maldives)
- An individual other than a Maldivian held more than 50% of your shares or interest
- An entity formed or incorporated in a country other than the Maldives holdd more than 50% of your shares or interest
- Your total annual income is MVR 20 million or more and you have carried out international transactions

In this schedule ONLY include the details of international transactions. If the information requested in a field is not relevant to your circumstances, leave the field blank.

If you do not meet any of the conditions stated above, please tick this Box to indicate as such. You are not required to complete any other items on this schedule if you declare that you do not meet a condition stated above.

If you do not meet any of the conditions stated above, please tick this Box to indicate as such. You are not required to complete any other items on this schedule if you declare that you do not meet a condition stated above.

TIN (Taxpayer Identification Number): In this box, enter the TIN as shown on the Notification of Income Tax Registration issued to you.

Accounting Period: This is the start date and end date of the accounting period covered by your return.

PART I – SHAREHOLDING DETAILS

1.1 Taxpayer's Shareholder details

If you are a company, provide details of the shareholders here. Provide name of the shareholder (a legal or natural person), shareholder Identification Number, shareholder's country of residence, percentage of shareholding and effective tax rate in the jurisdiction where the taxpayer is resident.

1.2 Shares held by taxpayer

Provide here the details of the shares held by you in any other entity. Provide the name of the entity in which you hold shares, residence of the entity, percentage of shareholding in the entity and effective tax rate in the other entity's resident jurisdiction.

1.3 Branches in operation (including Maldivian branches) if you are a non-resident

This section applies to you if you are a non-resident and have branch operations (permanent establishments) in the Maldives or any other jurisdictions. Provide the name of the branch operation, country/location of the branch operation, percentage of shareholding and corporate tax rate of the country in which branch operations are undertaken.

PART 2 – ULTIMATE HOLDING COMPANY

This section applies only if you are a body corporate.

2.1 Is the taxpayer the ultimate holding company of its group as at end of the financial period?

Ultimate holding company is the body corporate that by having a majority shareholding or otherwise has control of another body corporate, which is not a subsidiary of another body corporate.

Indicate whether or not you are the ultimate holding company in a group of body corporate. If you have ticked "Yes", leave Item 2.2 blank and proceed to Item 2.3.

2.2 Details of the ultimate holding company or person

If you are not the ultimate holding company of the group, but one of the entities of a group, provide the details of the ultimate holding company of the group. State the name of the ultimate holding company, its jurisdiction of residence and whether the ultimate holding company is listed in a stock exchange.

2.3 Details of the beneficial owner

Enter here the details of the beneficial owner of the ultimate holding company.

Beneficial owner of the ultimate holding company means a natural person who exercises 'ultimate effective control' of the ultimate holding company.

PART 3 – TRANSACTIONS WITH ASSOCIATES

In this part, you are required to report transactions or dealings with all of your associates. For each specific category or sub-category of transaction, you are required aggregate the income you received (Column 1) or payments made (Column 2) for such a transaction between all of your associates. In the column 3, you will net (i.e. Income / Receipt – Expenses

/ Payment) the income you received and payments you made for the specific transaction. The main categories of transactions include:

3A – Sale of goods to / purchase from all associates

3B – Rent, Royalties and Intangible property from / to all associates

Tick this box if you did not conduct any such transaction with associates during the tax year

3B Rent, Royalties and Intangible Property from / to all associates Tick this box if you did not conduct any such transactions with associates during the tax year <input checked="" type="checkbox"/>		
1 Rents	<input type="text"/>	<input type="text"/>
2 Royalties (e.g. use of patents, trademarks, secret formulas, know-how)	<input type="text"/>	<input type="text"/>
3 License or franchise fee	<input type="text"/>	<input type="text"/>
4 Intangible property or rights (acquired or disposed of)	<input type="text"/>	<input type="text"/>

3C – Services rendered to / received from all associates

3D – Financial transaction

3E – Other transactions with associates which do not fall under Boxes 3A to 3D

In Box 3F, write the aggregate of Boxes 3A to 3E.

PART 4 – INFORMATION ON TRANSACTIONS WITH ASSOCIATES

4.1 Sale of goods and provision of services to top 5 (based on total value) associates outside Maldives

In Item 4 you are required to provide details of the top 5 associates outside the Maldives that you have transacted with, by value of sale of goods and provision of services. The following details must be provided:

- Name of the associate**
 Enter the name of the associate.
- Nature of goods / service**
 The broad category or categories goods or service supplied to the associate.
- Location / country**
 Enter the name of the country where the foreign associate operates.
- Tax rate**
 Effective tax rate of the associate in the country where the associate operates.
- Relationship type**
 Enter the relationship that you have with the foreign associate (i.e. parent entity, subsidiary, members of the same group etc.)

6. Transfer pricing method

Write the method adopted to determine the arm's length price of the transaction.

7. Amount

Enter the total value of the transaction with associate.

Tick this box if you did not conduct any such transaction with associates during the tax year

4.1 Sale of goods and provision of services to the top 5 (based on total value) associates outside Maldives:

#	Name of the associate	Nature of goods / service	Location / country	Tax rate	Relationship type	Transfer pricing method*	Amount			
#	<i>e.g. X company pvt ltd</i>	<i>e.g. management fees</i>	<i>e.g. BVI</i>	<i>e.g. 0%</i>	<i>e.g. subsidiary</i>	<i>e.g. CUP</i>				
I										
II										
III										

Tick this box if you did not conduct any such transactions with associates during the tax year

4.2 Purchase of goods and provision of services of the top 5 (based on total value) associates outside Maldives

In Item 4.2, provide details of the top 5 associates outside Maldives that you have transacted with, by value of purchase of goods and provision of services, in that order. The following details must be provided:

1. Name of the associate

Enter the name of the associate.

2. Nature of goods / service

Enter the broad category or categories goods and service purchased from the specific associate.

3. Location / country

Enter the name of the country where the foreign associate operates.

4. Tax rate

Effective tax rate of the associate in the country where the associate operates.

5. Relationship type

Enter the relationship that you have with the foreign associate (i.e. parent entity, subsidiary, members of the same group etc.).

6. Transfer pricing method

Write name of the method adopted to determine the arm's length price of the transaction.

7. Amount

Enter the total value of the transaction with associate.

Tick this box if you did not conduct any such transaction with associates during the tax year

4.2 Purchase of goods and provision of services to the top 5 (based on total value) associates outside Maldives:

#	Name of the associate	Nature of goods / service	Location / country	Tax rate	Relationship type	Transfer pricing method*	Amount			
#	e.g. X company pvt ltd	e.g. management fees	e.g. BVI	e.g. 0%	e.g. subsidiary	e.g. CUP				
I										
II										
III										

Tick this box if you did not conduct any such transactions with associates during the tax year

4.3 Information of lending / borrowings with associates

This part is to be filled ONLY if you have loan transaction including borrowing from and lending to any associate outside Maldives.

In each column, provide the details of aggregate borrowings from [Item 4.3 (a)] and lending to [Item 4.3 (b)] each associate. Details include the name of the associate, resident country / location of the associate, total loan value, effective year (i.e. loan commencement date as in the agreement or arrangement), purpose of the loan, interest rate of the loan, interest charged for the tax year and closing and opening balances of the loan.

4.3(c) Transfer pricing documentation exemption on loans (if any)

You are exempt from transfer pricing documentation requirement altogether under the section 68 of the ITA, if you meet the requirement in one of the requirements specified in the section 68(a) of ITA.

Even if you are not exempt as an entity from preparation of transfer pricing documentation, there are specific exemptions stipulated in the TPR which applies to certain transactions or arrangements.

You are exempt from preparing transfer pricing documentation in respect of a loan transaction notwithstanding any other provision in the TPR if:

1. The loan transaction is with an associate where the associate and you are incorporated or registered in the Maldives or carries on business in the Maldives, and the lender is not in the business of borrowing and lending money in the Maldives [Section 7(d) of TPR] or;
2. The value of the loan does not exceed MVR 15 million and associate and you agree to apply the “indicative margin” for the year in which the loan was obtained or provided [Section 7(e) of TPR].

If any of the above applies to a loan transaction of yours with any of the associate, provide in Item 4.3 (c), the name of the associate, value of the loan and the legal reference of the exemption. Any two of the above reference from the TPR must be provided.

4.4 Were you a party to a cost contribution arrangement for developing, producing or obtaining assets or rights with an international associate?

Indicate whether you were in a cost contribution arrangement for developing, producing or obtaining assets or rights with an international associate.

4.5 Did a restructuring event(s) occur in the current year involving international associates or your branch operations?

Indicate here if there were restructuring events during the year. Include here only significant restructures undertaken between you and your international associates and foreign branch operations. You may use additional sheets if necessary.

The meaning of restructuring here goes beyond the generally accepted financial definition. Restructuring events here mean arrangements whereby assets, functions or risks of a business are transferred between you and international associates, or your branch operations. This may include:

- reorganization of your structure resulting in the disposal or acquisition of entities or the change in ownership of entities
- establishing, expanding, downsizing, liquidating or relocating business operations or business lines, resulting in:
 - the acquisition or the disposal of assets or liabilities (tangible or intangible); or
 - the transfer of functions or the significant modification of service arrangements between yourself and international associates (for example, this may include transfer of agency, distribution, finance, information technology, insurance, logistics, marketing, sales, shared services, shipping, trading, transport and treasury functions); or
 - the transfer of risks between yourself and international associates; or
 - the increase or decrease of rights or obligations
- where there has been a change in the nature of the business carried on through your branch operations, for example, you have commenced or ceased to use your property in your branch operations or you have commenced or ceased to perform functions or services through your branch operations

Entity/Branch: Write the name of the associate or branch

Capital Value: Write the value for each restructure, even if there is no payment of consideration in respect of some transactions forming part of the restructure. You are not required to obtain a formal valuation. You can make a reasonable determination of the value.

Foreign Country: Write the name of the jurisdiction where principal international associate to the relevant restructure was located, or foreign jurisdiction relevant to your branch operations.

Description: Write here a brief description of the main elements of the restructure. *For example: “ceased Mauritius branch operations, dealing in derivative contracts continued with other world-wide associates”*

SCHEDULE FIVE

REPORTING OF SHARE OF TAXABLE INCOME FROM CONTROLLED FOREIGN ENTITIES

Controlled Foreign Entities (CFEs) are entities (i.e. including companies, partnerships and other legal entities) that are not residents of the Maldives but are controlled by 5 or fewer residents of the Maldives.

Residents of the Maldives who holds 10% or more in the share in the capital of the CFE are required to fill this schedule. If you hold more than 10% in the share capital of more than one CFE, you are required to submit this schedule for each of the CFEs separately. .

- **TIN (Taxpayer Identification Number):** In this box, enter the TIN as shown on the Notification of Income Tax Registration issued to you.
- **Accounting Period:** This is the start date and end date of the accounting period covered by your return.

Computation of share of taxable income from CFEs

1. Name of the Controlled Foreign Entity (CFE)

Provide the name of the CFE.

2. Number of residents of Maldives who control the CFE

Enter the number of residents of the Maldives who control the CFE including you. This amount must be less than or equal to five.

3. Your interest in the CFE

- Where the foreign entity is a company, partnership or other legal entity, the greater of the average of share capital of the person who is a resident in the Maldives throughout the accounting period and the average of the voting rights of the person who is a resident of the Maldives, calculated on a daily basis;
- Where the foreign entity is neither a company, nor a partnership, nor another legal entity, the average of the interest of the person who is resident of the Maldives, in the capital of the entity throughout the accounting period, calculated on a daily basis;
- Where the foreign entity is a fixed trust, the average of the interest of the beneficiary of the trust during the accounting period, who is a resident of the Maldives, and where the foreign entity is a discretionary trust, the average of the interest of the settlor of the trust throughout the accounting period, who is a resident of the Maldives.

4. Total interest of all the shareholders/partners in the CFE

It is 100%.

5. Total taxable income of the CFE

Enter total taxable income of the CFE here, calculated in accordance with the ITA and ITR (i.e. using Maldivian domestic tax rules).

6. Your share of the taxable income of the CFE

Enter the amount of your share of the taxable income of the CFE after calculating using the formula given in the Note 1 of the schedule. The formula is duplicated here.

NOTE 1:

- Your share of taxable income of the CFE must be calculated as follows:
$$\frac{\text{Your interest in the CFE (Box 3)}}{\text{Total interest of all shareholders/partners' in the CFE (Box 4)}} \times \text{Taxable income of the CFE (Box 5)}$$
- Refer to the comprehensive guide on the Income Tax Return (MIRA 604), for detailed instructions on how to complete "your interest in the CFE".

The amount you enter here must be transferred to Box 169 of the return. If you have interest in more than 1 (one) CFE, aggregate the amount in Item 6 in each of the schedules you submit and enter that amount Box 169 of the income tax return (i.e. MIRA 604).



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