



*Unofficial translation of the*

**FIFTH AMENDMENT TO THE  
INCOME TAX REGULATION**

**2024/R-84**

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## **FIFTH AMENDMENT TO THE INCOME TAX REGULATION**

The Income Tax Regulation (Regulation Number 2020/R-21) shall be amended as follows:

1. Amend Section 106 (c) and 106 (d) of the aforementioned Regulation as follows:

106. (c) Where a person's functional currency is a currency other than Rufiyaa, the person's presentation currency shall be United States Dollar.

(d) Subsection (c) shall apply to the tax year 2024 and thereafter.

2. Insert a subsection after Section 106 (d) of the aforementioned Regulation as follows:

106. (d-1) Notwithstanding subsection (d), subsection (c) shall not apply in relation to the preparation of the first interim return for the tax year 2024.

3. Insert subsections after Section 107 (b) of the aforementioned Regulation as follows:

107. (c) Notwithstanding subsection (b), where the functional currency of a person who is required to submit the return is a currency other than Rufiyaa, the returns specified in subsection (b) shall be prepared in United States Dollar.

(d) Subsection (c) shall apply in relation to the preparation of returns for periods ending on or after 31 October 2024.

- (e) For the purposes of this Section, currency shall be translated by applying the principles in International Accounting Standard 21 (The Effects of Changes in Foreign Exchange Rates), using a rate within  $\pm 2\%$  (plus or minus two per cent) of the rate published by the Maldives Monetary Authority, pertaining to the relevant date.

4. Amend Section 108 of the aforementioned Regulation as follows:

- Payment currency** 108.
- (a) Where a person's presentation currency is Rufiyaa, the tax payable under Section 41 (a) of the Act and the interim payment payable under Section 41(b) of the Act, shall be paid to MIRA in Rufiyaa or United States Dollar.
  - (b) Where a person's presentation currency is United States Dollar, the tax payable under Section 41 (a) of the Act and the interim payment payable under Section 41(b) of the Act, shall be paid to MIRA in United States Dollar.
  - (c) Subsection (b) shall apply to the tax year 2024 and thereafter.
  - (d) Notwithstanding subsection (c), subsection (b) shall not apply to the first interim payment payable for the tax year 2024.
  - (e) Non-resident withholding tax, employee withholding tax and capital gains withholding tax shall be paid to MIRA in Rufiyaa or United States Dollar.
  - (f) Notwithstanding subsection (e), where the functional currency of the person who is required to pay the tax is a currency other than Rufiyaa, the taxes specified therein shall be paid to MIRA in United States Dollar.
  - (g) Subsection (f) shall apply to payments pertaining to periods ending on or after 31 October 2024.

- (h) Where a person is required to translate the amount of tax payable from Rufiyaa to United States Dollar as a result of electing to pay tax in United States Dollar pursuant to subsection (a) or (e), the amount to be paid shall be translated from Rufiyaa to United States Dollar at the rate of MVR 15.42 (Fifteen Rufiyaa Forty-Two Laari) per USD 1 (One United States Dollar).

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