

## MVR 1.55 billion as January 2015 revenue

In January of 2015 MIRA has collected a revenue of MVR 1.55 billion. This is 18% higher than the revenue collected in the corresponding period of 2014. The main reason for this growth in revenue is due to the increase in revenue from BPT and GST by 13% and 45% respectively. The rise in Tourism Sector GST rate to 12% contributed to the significant growth in GST revenue.

In addition, the highest share of revenue is also generated from these two revenue codes, accounting for 87% of the total revenue collected during the month.

MVR 1.55 billion received in January 2015 is 3.8% lower than the projected revenue. The main reason for this shortfall is due to 12.8% decline in tourist arrivals in December 2014

compared to the projection, resulting in a 13% decrement in Tourism Sector GST for January 2015 against the projection.

Furthermore, as 31 January was a holiday, the deadline for payment of the second interim for BPT was extended to 1 February, and so, part of the revenue projected for January 2015 was collected in February 2015.

### Staff Development Program

## Guaranteeing the best service to taxpayers

Since MIRA's establishment, vital work has been persistently carried out to ensure that the taxpayers are offered the most professional and comprehensive service.

To enhance the knowledge and skills of the staff, MIRA organizes and undertakes number of trainings. This makes sure that the staff are well trained and prepared to serve taxpayers in the best possible manner.

The trainings provided molds discipline, work ethics, integrity, and fairness into

staff which positively correlates to the excellence of service provided to taxpayers. This establishes a strong foundation to deliver fair and accurate information for the taxpayers, as well as protecting and respecting the sensitive information of taxpayers held by MIRA.

In addition to the induction programs carried out for the new recruits in MIRA, also undertakes in-house trainings as well as other training programs conducted locally and abroad in coordination with other institutions. These

include staff skill development trainings, leadership and management trainings, and technical trainings related to various works done at MIRA.

Summary of trainings held in January 2015

Training Description	No. of participants
Induction program	9
SAP training	23
Tax Ruling briefing session	156

## State may discontinue services if there are any dues: Civil Court

A judgment was passed by the Civil Court on 10th February 2015 in relation to a case filed against the State by a taxpayer where a Government Office had suspended its services to the taxpayer due to outstanding payments to the State.

The Public Finance Circular 07/2011, requires to discontinue the services given by Government Offices to a party with outstanding dues to the State.

Meanwhile, the Government Agencies are required to check with the MIRA if

there are any outstanding dues to the State prior to issuing, renewing or amending operating licenses or permits to a Taxpayer. The MIRA has right to inform Government Offices to discontinue their services temporarily.



# MIRA POST

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### Deadline for Company Annual Fee: 31 March 2



## Output Tax Statement to be submitted with GST return

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### Important Deadlines

<p>March 8</p> <p>Submission of Information sheet of the tourist establishments for February 2015</p>	<p>March 15</p> <p>Submission of Withholding tax return and payment of withholding tax for February 2015</p>	<p>March 15</p> <p>Payment of duty free royalty for February 2015</p>	<p>March 31</p> <p>Payment of tourism land rent for the 2nd quarter of 2015</p>
<p>March 10</p> <p>Payment of Trade Fee for March 2015</p>	<p>March 28</p> <p>Submission of GST return and payment of GST for February 2015</p>	<p>March 31</p> <p>Submission of Financial Statements for 2014 by duty free shops</p>	<p>March 31</p> <p>Payment of company annual fee for 2015</p>
<p>March 10</p> <p>Submission of Royalty Statement and Sales Report for February 2015 by duty free shops</p>	<p>March 31</p> <p>Submission of Financial Statements for 2014 by duty free shops</p>	<p>If the deadline falls on a public holiday, then the last submission deadline would be the next working day</p>	

## Output Tax Statement to be submitted with GST return

Tax Ruling TR-2015/G23 states the required documents that need to be submitted with the GST return. This includes Input Tax Statement for each taxable activity, together with the tax invoices so as to support the input tax deductions.

The tax invoices has to be submitted in the same order as listed in the Input Tax Statement. In addition to this, an Output

Tax Statement also has to be submitted in accordance with the set format in this ruling.

According to the circular number 220-TP/CIR/2015/1, all GST registered persons are exempted from submitting tax invoices as granted by the Commissioner General. However, the exemption can be revoked by the Commissioner General at any time after

giving a 7 day notice to the taxpayer.

Output Tax Statements, together with the Input Tax Statements, have to be submitted starting from 1 April 2015; if annual turnover is more than MVR 50 million, 1 October 2015; if annual turnover is between MVR 50 million and MVR 10 million and 1 January 2016; if annual turnover is less than MVR 10 million.



## Transfer of capital assets within group of companies

This ruling explains the tax treatment of the transfer of capital assets within a group of companies. In order to transfer of capital assets, the transferor and transferee must be within the charge to tax in the Maldives and share the tax-free threshold. In addition, there must not be any consideration for the transfer other than the issue and/or transfer of shares and also transferred is used by the transferee to carry on the same business as the transferor immediately before the transfer.

As per this ruling, the asset transferred shall be treated as being sold for a sum

equal to its tax written-down value immediately before the transfer and any capital allowance which arises after the date of transfer of the asset shall be allowed to the transferee over the remaining useful life of the asset.

Moreover, any balancing allowance or balancing charge which arises after the date of transfer of the asset shall be allowed to, or imposed on, the transferee.

Transferee and transferor are required to submit a signed notice to MIRA before entering into the transaction stated in this ruling.

## Deadline for Company Annual Fee: 31 March

Under the Companies Act (Law number 10/96), the deadline for payment of Company Annual Fee is March 31st of every year.

The Companies Act makes it mandatory for all companies registered in Maldives under the Act to pay an annual fee. As per Section 7(b) of the Act, all private and public companies are required to pay the company annual fee for the year before the 31st of March. The annual fee amounts to MVR 2,000 for private companies while public companies are required to pay a fee of MVR 10,000.

Failure to pay the company annual fee before the deadline would result in a fine, which would vary depending on when the fee is paid. If the fee is paid after the deadline but within the month of April, a fine of MVR 1,000 shall be paid along with the annual fee amount and fee paid any time after the end of April would be collected with a fine of MVR 2,500.



## Objecting to MIRA's decision

Where the MIRA has conducted an audit, a Notice of Tax Assessment will be issued to the taxpayer. Such notice shall be considered as the MIRA's decision. Where the taxpayer is of the opinion that the decision of the MIRA did not accurately reflect the information obtained from the documents and records provided by the taxpayer and MIRA did not apply the relevant laws and regulations correctly, a MIRA 903 form (Notice of Objection) should be submitted by the taxpayer in order to object to the MIRA's decision.

The deadline for the taxpayer's right to object to the MIRA's decision is within 30 (thirty) days from the receipt of such decision. It is the taxpayer's responsibility to clearly state the grounds for objection and submit the supporting documents along with the MIRA 903 form. Forms submitted outside the 30-day window can only be accepted where the Commissioner General of Taxation finds that there is reasonable cause that hindered the taxpayer to object within the deadline.

## Submission of Information Sheet

Following the abolishment of Bed Tax, operators of tourist resorts, tourist hotels, tourist guesthouses and tourist vessels no longer have to submit a "Bed Tax Sheet" and "Staff Sheet" to the MIRA. Instead, beginning 1 December 2015, under section 36 (a) of the Maldives Tourism Act, all operators of these tourist establishments are required to submit an "Information Sheet" to the MIRA before the 8th of each month.

This information sheet should include the details of all guests who stayed in the respective tourist establishment during the month elapsed. The information sheet should be in the format prescribed in MIRA's circular 220-TSP/CIR/2014/13.

The tourist establishment operators do not have to submit a hard copy of the information sheet; a soft copy would suffice and the sheet can also be emailed to [audit@mira.gov.mv](mailto:audit@mira.gov.mv).

**You're required to submit an Output Tax Statement with GST Return, effective from the following dates:**

- If annual turnover is MVR 50 million or more, 1 April 2015
- If annual turnover is between MVR 10-50 million, 1 October 2015
- If annual turnover is MVR 10 million or less, 1 January 2016

**For more information:**  
 ☎ 1415 ✉ 1415@mira.gov.mv  
 TAX RULING TR-2015/G23

**1 دسمبر 2014**  
**From 1 December 2014, Maldivians will be charged 6% GST for domestic air transportation**

Maldives Inland Revenue Authority | MIRAmaldives | Mira Maldives | miramaldives

## Payment collected as fine

Payments collected as fines are exempt from GST. Fines refers to any fine imposed by a Government institution, regulatory authority, court, tribunal, or any other body with a statutory authority in the Maldives to levy a fine, or

fine required to be paid to the supplier of a good or service where the recipient of the good or service fails to make payment by the due date.